THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

What the Cantonese Have Gotten out of Their Deal with Russia

By Fritz M. Witkowski

The Hankow Crisis and the Lessons Involved

Last Year a Banner One for Silk Trade

By Paul K. Whang

Last Year a Bad One for Cotton Trade

By B. Y. Lee

The Catholic Church Also Making Adjustments

密勒氏評論報

SATURDAY, JAN. 15, 1927

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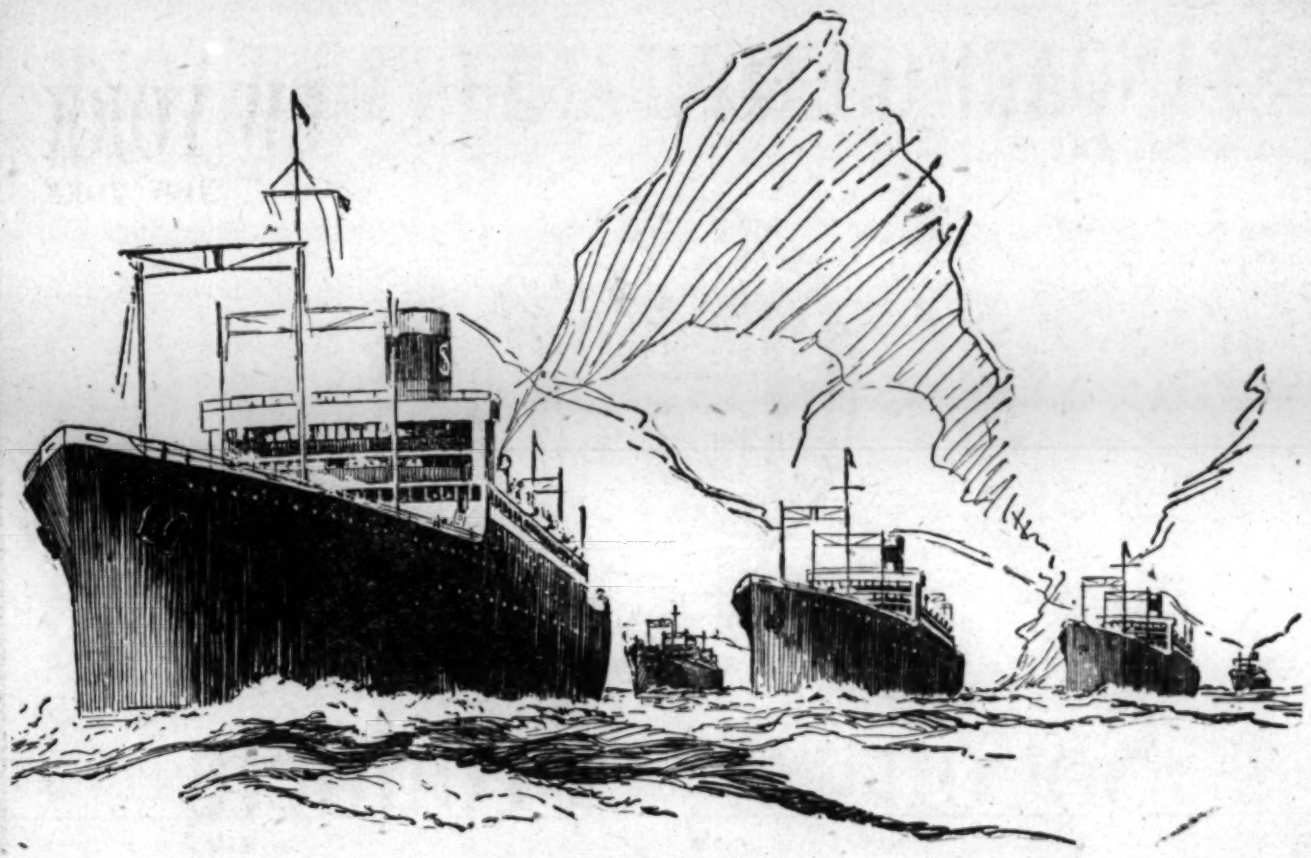

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THE HANKOW CRISIS AND THE LESSONS INVOLVED!

ON JANUARY 3 the anti-British agitations at Hankow reached a crisis when a crowd of Chinese, including according to one report, from 80 to 100 soldiers of the Nationalist army invaded the British Concession at Hankow. Originally, the crowd. according to the *Hankow Herald* (American paper) was bent on holiday festivities in connection with the celebration of New Year, but in half an hour, owing to the haranguing of agitators, it quickly grew into a mob of humanity shrieking for vengeance against the British. The police attempted to push the crowd back but were met with a hail of bricks and stones. Seeing the situation getting out of hand, the police asked for the assistance of the Navy and orders were issued for the mobilization of the local British Volunteers. The naval units, apparently had orders not to fire, hence experienced considerable difficulty in handling the situation, one of the marines being jabbed through the thigh with a bayonet in the hands of one of the rioters who had snatched the rifle from a marine. Two other marines were knocked unconscious by bamboo poles in the hands of the rioters. One of the special police, H. E. Smith an employe of Mustard and Company, was seriously injured by being struck by a brick thrown by a rioter. Another foreigner, E. Burmeister, a German who walked into the crowd unaware of the trouble, was knocked down and seriously stabbed. Both the accounts in the two foreign papers in Hankow, the *Hankow Herald*, (American) and the *Central-China Post* (British) state that no shots were fired by the foreign forces. The original reports of the affair received in Shanghai through the medium of *Reuters* (British) news service, also stated that no shots were fired by the foreign forces, but stated that *some Chinese were killed by being crushed in the crowd* as the mob surged against the barricades and foreign defense forces. However, both the Chinese and Japanese news reports of the affair received in Shanghai stated that Chinese *has been killed* in the fracas between the marines and the Chinese rioters. The *Kuo Wen* (Chinese) News Agency in its reports circulated to the foreign press in Shanghai under date of Jan. 5, stated that a large Chinese mass-meeting in Hankow had passed a number of resolutions, one of them being *that the marines who fired on the crowd be handed by the British Consulate to the Southern Government for punishment.* Another resolution passed at the same time demanded that the British Government be asked to pay indemnities for the losses sustained *by the killed and wounded in the crowd.* Then on Jan. 7, the *Toho* (Japanese) News Agency in a dispatch circulated in Shanghai,

quoted a proclamation of Eugene Chen, Minister of Foreign Affairs of the Nationalist Government which started out with the words, "The fact that on the 3rd instant, the British naval and marine force *killed and wounded several Chinese* has extremely enraged the Chinese people."

BUT TO GET back to the story, it seems that after the greatest crisis had been passed at about 5:30 o'clock in the afternoon, Chinese soldiers appeared on the scene and members of the political office of the Nationalist Government addressed the crowd and finally succeeded in getting the people quieted down and order restored. The Chinese then asked the British to withdraw for a distance of a block and they would guarantee that the crowd would leave. By 8 o'clock the Bund was clear. The next morning, however, a large mass-meeting was held which was attended by representatives of the Nationalist Government and labor unions when speakers declared that several Chinese had been killed and wounded by the marines. A society was formed for the purpose of disarming the British forces and taking over the concession, and in the afternoon large crowds began to gather on the Bund and the Volunteers were mobilized owing to the expectation of further trouble. Finally, realizing their inability to preserve order without firing, the British entered into an agreement with the Chinese whereby the Chinese agreed to preserve order. The marines, which had been returned to their ships, were therefore not landed. The Chinese crowds on the Bund, during the afternoon, removed all of the barricades and barbed-wire entanglements which had been erected by the foreigners for protective purposes. In view of the rapid increase of the crowds it became unsafe for foreigners to appear on the Bund so that the foreign police and volunteers were demobilized and the Concession turned over to the Nationalist forces for preserving order. In the meantime, according to the reports, all of the stocks of rifles and ammunition stored in the Concession had been removed to the British naval craft in the harbor. In the evening the Chinese crowds further surged into the Concession and took possession of the Customs House, Municipal Building and many of the British business houses forcing the occupants to clear out. Some of the reports stated that the British War Memorial was defaced and that the Municipal building was partially destroyed. This practically ends the story except the consequent evacuation of all British women and children and the concentration of all British men in two buildings on the Bund, the Hongkong and Shanghai Bank and the Asiatic Petroleum Company. The British Consul-General, Mr. H. Goffe, remained in the Consulate, but the building was picketed by Nationalist soldiers and the Consul-General was prevented from flying the British flag. As the situation stands today, the British Concession has been completely evacuated by British nationals and is being controlled by a battalion of Chinese troops under the command of an officer of the Nationalist Army who has his headquarters in the British police station. In addition to the evacuation of Britons from Hankow, about 50 American women and children, chiefly the families of Americans connected with the British-American Tobacco Company, and of American naval officers stationed on the Upper Yangtsze have also left Hankow and come to Shanghai. In Kiukiang scenes quite similar to those in Hankow were enacted and all Britons there and also at Kuling, the mountain resort nearby, have been evacuated. The Chinese agitators at Hankow did not molest either the French or Japanese Concessions and at Kuling the Japanese apparently were not molested.

THE NATIONALIST Government at Hankow is now proceeding on the proposition that the British Concession at Hankow has ceased to exist as a British-controlled area and have organized a preliminary committee drafted from the Kuomintang party and Nationalist Government to administer the district. In Kiukiang the British Concession is likewise being controlled by the Chinese and according to the *Toho* (Japanese) News Agency's reports from Peking, the Chinese authorities there have also started an agitation looking toward the taking over of the British Concession in Tientsin and hinting that *other foreign concessions in the Yangtsze Valley* are to be treated in a similar manner. There is no misunderstanding the import of this suggestion for it brings Shanghai face to face with the determination of the Chinese to control the foreign areas here. Although it probably would be a simpler matter for the Chinese to gratify their ambitions in respect to the French Concession here owing to the obvious inability of the French to defend the area against an organized Chinese force, the chances are that the Chinese will concentrate upon the International Settlement owing to the predominating British interest in this area. In the course of his account of the beginning of the Hankow trouble on Jan. 3 the editor of the *Central-China Post*, the British newspaper at Hankow declared *"that force is all that is needed to deal with such situations."* This is all well and good, providing sufficient foreign force is available, but if sufficient foreign force is not available, the result is likely to be disastrous as was the experience at Hankow when later on as the crowds became more menacing it was necessary to remove the comparatively small force of British marines entirely in order to prevent incidents which might have been disastrous in their final consequences.

IT IS TO be assumed that those having in charge the defense of the International Settlement at Shanghai have figured out just how large a defense unit is required and how it is to be distributed. They also should know pretty accurately just how far the Powers, otherwise the British, American and Japanese Governments will go in backing up the defense of the foreign areas here. Unless this information is available, or to put it another way, unless the foreign authorities here know that the Powers are ready to back up the defense of the International Settlement to the limit of necessity, even to the extent of a war against all of the available forces of the Chinese armies, then it would be nothing short of criminal for the authorities here to make a bluff which they could not back up, the reason for this statement being that the foreign population is entirely too large and the foreign interest too great to be trifled with by persons who think, as did the Hankow editor, *"that force is all that is needed to deal with such situations."* At the present time the area about Shanghai is controlled by Marshal Sun Chuan-fang, a militarist who is allied with the Northern or Fengtien faction. Since coming here Marshal Sun has shown a conciliatory attitude toward the foreign authorities, although it must be remembered that he was the first militarist in 1925 to offer his assistance to the Shanghai students following the May 30 incidents of that year. But while Marshal Sun is apparently friendly toward the foreigners, it must be remembered that he is a Chinese politician

anxious to maintain his position and any untoward incident which could be interpreted as an aggressive move on the part of the foreigners, would probably have the effect of throwing Marshal Sun into the ranks of the radicals intent upon creating a reign of terror that would force the foreigners out, bag and baggage. We do not mean to suggest by any possible interpretation of words that we are opposed to legitimate protection being given to the foreign interests here against the powers of bolshevism and disorder. The ideal situation would be for the Settlement authorities to work out some form of cooperation with the Chinese authorities in the adjoining districts, a manifestly difficult thing owing to the fact that it is Marshal Sun Chuan-fang today and it may be Gen. Chiang Kai-shek tomorrow. And if such an arrangement could be made, it should be effected previously, not after the event as happened at Hankow when the foreigners discovered too late that they could not protect their Concession. The important point to remember is that the Chinese are far past the stage *when they can be bluffed by a mere show of force*, and furthermore it must be remembered that there is essentially no difference between the Northern and Southern factions when it comes to the matter of abrogating foreign rights. The Chinese leaders, North and South are as one when it comes to the matter of breaking down the foreigners special rights and this applies particularly to Shanghai the richest and most important city on the coast of Eastern Asia. Therefore, to repeat, a foolish show of force that could not be backed up by the Powers to the extent of a war against the combined strength of the Chinese armies, would be nothing short of criminal for it would expose Shanghai to a reign of terror quite possibly a thousand times worse than that through which the British Concession in Hankow has just passed.

THE EXPLOITERS OF THE SYSTEM OF EXTRATERRITORIALITY

THE ABOLITION of extraterritoriality, whenever it comes, will have much greater terrors for a small class who have benefitted from it in a way that was never intended than it will have for the traders for whose benefit it was particularly invoked. This small class has not only profited financially to an enormous extent, but it has been largely responsible for the abuse of extraterritorial privileges, and in this connection it is well to remember that it has been the abuse, more than the existence, of extraterritoriality that has brought it into disrepute. The Chinese naturally object to extraterritoriality because it is a label of inferority, but the impelling motive in recent years that has induced them to urge its prompt abolition has been, principally, the abuse of it. As regards extraterritoriality the truth of the matter is that while of some value under normal conditions it proves of very little benefit to foreign residents under abnormal conditions, for just when the principle ought to be valuable, the extraterritorial privileges which foreigners are supposed to enjoy have been notoriously violated throughout the length and breadth of the country, and no effective steps have in recent years been taken to impose punishment for such violations,

WHEN ONE looks over conditions as they exist here in Shanghai this one fact stands out prominently: A few large landlords have grown rich by the simple process of selling the protection which extraterritoriality, enforced by foreign gunboats, has given them free of charge, while they have put the profits into their pockets. Most of them are British but pay no income tax either to England or China on the extraordinary profits which the existence of extraterritoriality has given them. Shanghai's rapid growth has been largely due to the fact that extraterritoriality has given it a favored position. Enormous numbers of Chinese have come into the Settlement and have been willing to pay the much higher rents charged here than they would have had to pay in Chinese territory. The mantel of extraterritoriality has been stretched to cover them and the extra rent that they have paid represents the value of the protection which residence in the Settlement has afforded them. That extra rent has been "velvet" for certain land-owners who as said above, are vouch-safed that protection by foreign gunboats, paid for by taxpayers in America and Europe, while they themselves have contributed not one cent towards its upkeep. But it is that very protection which has enabled them to collect rents approximately double what they could otherwise get.

THE SITUATION here in Shanghai is doubly anomalous. The majority of the landlords who own the land in the heart of the business district and who own huge blocks of houses which are rented out exclusively to Chinese, made their money originally out of one form of exploitation of the Chinese and now follow that up with another form of exploitation of the Chinese. It is a notorious fact that the great majority of these landlords laid the foundations of their fortunes in the opium trade. Sir Havilland de Sausmarez, Judge of the British Supreme Court, some years ago in the course of the trial of an opium case, spoke of the founder of one large Shanghai estate as "believing" in opium. Incidentally for the benefit of readers not acquainted with the local situation let it be said that although these big landlords are "British," they are not "Britishers"—neither they nor their ancestors having come from the British Isles. These "opium" landlords are not of course the only examples of the extraneous growths which have fattened on extraterritoriality. There are many special privileges which will go by the board when extraterritoriality is abolished, whereas the scope of the legitimate trader, the one for whose benefit extraterritoriality was intended may be greatly widened. That the representatives of such estates should wield a power in local governmental affairs and derive a profit from the fact that they are able under the aegis of extraterritoriality to register Chinese land in foreign consulates is an anomaly in itself.

ONE OF THE recommendations of the Extraterritoriality Commission is: "Pending the abolition of extraterritoriality, the nationals of the powers concerned should be required to pay such taxes as may be prescribed in laws and regulations duly promulgated by the competent authorities of the Chinese Government and recognized by the powers concerned as applicable to their nationals." It is not quite clear whether this refers to property in the Foreign Settlements, but it is a foregone conclusion that when the Chinese once secure the power of taxation over these huge estates, which have been accumulated largely as the result of exploiting the Chinese people in two different directions, ways and means will be found to ensure that the "unearned increment" will be made to yield a handsome revenue. Foreigners in China enjoying the legitimate protectoin of extraterritoriality will, naturally, be loath to see their privileges disappear, but a great deal of the

regret will vanish in the recollection that the principal benefit has been by people who have no direct trading interests here, but who have quietly sat on their holdings and made the traders as a class pay heavily in rents for the privilege of extending their business. There are of course exceptions, but, generally speaking the trading interests must rent their premises from landlords as a class, hardly any of whom are helping in the task of building up foreign trade, but who are merely parasites upon those who are doing it. Just as shrewd schemes of taxation in England have made the large landlords give up great blocks of their holdings, so in Shanghai, taxation adjusted to the needs of the situation, will accomplish the same result.

THE CATHOLIC CHURCH ALSO MAKING ADJUSTMENTS

THAT THE Catholic Church is also making adjustments to meet in sympathetic spirit the development of nationalism in China is indicated in a dispatch from Rome appearing in a recent issue of the *Manchester Guardian*. The dispatch refers to the consecration ceremonies on November 4 last whereby six Chinese priests of the Roman Catholic Church were designated as bishops of six sees in their own country, the ceremony being performed by the Pontiff, Pius XI, personally. In an encyclical last spring, Pius XI urged upon the rulers of the Catholic Church the absolute necessity of repairing the defects of the past by immediately creating an indigenous Church. In this connection, according to the *Guardian's* correspondent, he said,

> "Suppose, that, by reason of a war or other political event, in a missionary country a new Government comes to replace the old, and immediately decrees the expulsion of the foreign missionaries previously there; or suppose that the natives of a country (quod sane diffcilius eveniet)—which is indeed, less likely, having attained a higher degree of civilization, desire to secure their independence by chasing away governors, soldiers, and missionaries of the previous occupying power; what disaster would ensue for the Church if she had not in her ranks an adequate number of native ecclesiastics.
>
> "But, if this be the first practical consideration, there are much deeper grounds moving the Church to the creation of an indigenous clergy. In the first days of the Church the clergy was not imported from without, but picked and chosen from among the natives of the country. And so must it be again. The aim of the Church is not to found missions in pagan lands, but to recreate those lands so that they themselves, without loss of their national characteristics, shall become flourishing branches of the Christian body."

OF STILL more remarkable interest in this connection was the repeated insistence of the Pontiff upon the equality of all, Europeans and Asiatics in the eyes of the Church. To use his words, "He would greatly err who thought of these natives as coming from inferior stock. Long experience shows that the peoples of the Far East are often no whit behind ourselves and can compete with us in mental capacity. Let there then be no difference between European missionaries and Asiatics; let every cleavage be bridged and let each respect and love the other. Do not think that because the Roman Pontiff has committed to you the charge of preaching Christian truth to pagan peoples, therefore the native clergy are merely your assistants and complements." According to the *Guardian* the foregoing pronouncement is of special significance because the Catholic Church in the past has been identified with European expansionism. Prior to 1918 the Vatican had attempted to establish direct political relations with the Chinese Government, but France had always intervened on the grounds of her traditional rights as protectress of the Church in the East. In 1918 a Nuncio was named, but again France prevented Monsignor Petrelli from coming to China. The Vatican, however, insisted in naming an Apostolic Delegate in the person of Mgr. Constantini, who has spent four years in China and only returned to Rome recently in order to accompany the six Chinese priests who were consecrated bishops last November. There are now said to be 1,200 Catholic priests in China, a growth from 400 in 1904. In May, 1924 when a solemn Synod of the Church was held in Shanghai, two Chinese Apostolic Prefects took their places alongside the European priests. According to the report, the Catholic Church is looking forward with much confidence to the advance of the Catholic cause in China, due chiefly to the 'crumbling of old beliefs and traditions and the falling to pieces of ancient political organization,' but the warning is given that the 'Catholic Church must be untainted by the suspicion of ulterior imperialistic motives,' otherwise it will fail to offer a substitute for the old beliefs of the Chinese people.

British Advertisers Threatening Boycott Tientsin American Paper

According to an editorial appearing in the *North China Star*, American paper in Tientsin, on Jan. 7, a number of British firms in Tientsin are threatening to withdraw their advertising from the *Star* on the ground that the paper was "stirring up anti-British feeling." In reply to the threat, Charles J. Fox, editor of the *Star* stated, "The *Star* is not attacking British interests.... It is attacking and long has attacked, the local British die-hard press and some acts of some British officials, which by causing anti-British feeling is doing harm to all foreign interests in China. We do not believe in the so-called solidarity of the Powers in China, first, because it is, and has been for years, a myth; and second, because such solidarity, or rather attempts at it, logically invites anti-foreignism. On the other hand we firmly believe that the present animosity between the Chinese and the British is doing harm to all of us, British, non-British and Chinese alike...."

Mr. Fox also publishes a copy of a letter which he addressed last year to the British firm of Whiteway, Laidlaw and Company, Ltd., in which he repudiates an alleged attempt on the part of that company to influence the policy of the *Star* through threat of withdrawal of advertising and states that when the present advertising contract expired, he, Mr. Fox, refused to make any further advertising contracts with the British firm.

More than 400 Refugees Arrive in Shanghai from Hankow

Approximately 450 foreign women and children who were forced to leave Hankow on account of the rioting and ensuing occupation of the British Concession by troops of the Southern or Nationalist Government on Jan. 3 and 4, arrived in Shanghai on Saturday and Sunday, Jan. 8 and 9. Most of the refugees were practically without extra clothing or baggage owing to the haste of their departure. While most of the refugees were families of British business men and missionaries, there were also about 60 American women and children in the party, most of them being wives of U. S. Naval officers or American employes of British firms.

According to the heads of the American mission boards in Shanghai none of the American Boards have issued instructions to their representatives in Central China to leave their posts, but such action may become necessary shortly in case the disturbances continue The situation is especially serious in Hunan province where the Bolshevik agitators have complete charge of the situation.

What The Cantonese Have Gotten Out of Russia!

BY FRITZ M. WITKOWSKI

There is nothing sentimental in the treaty-relationships of nations. Whether the contractual relationship existing between two nations is known as a "treaty," an "exchange of notes," a "trade agreement," an "alliance," or whatnot, the benefits must be mutual, otherwise the contract cannot be continued, providing of course the two parties to the agreement are on a plane of equality and are dealing with each other as equals.

Great Britain terminated the Anglo-Japanese alliance in 1922 at the Washington Conference simply because it was of no further value to Britain. Great Britain made the alliance because she needed Japan's help against the aggressions of Germany and Russia in the British sphere in the Far East. But after the World War when Germany and Russia ceased to be aggressive factors (from a military standpoint) Britain found that in the face of opposition to the Alliance on the part of America and the British Dominions, that the Alliance was more of a handicap than a benefit. Hence, Britain dropped the Alliance without further ado and had the Japanese been able to view the question from the standpoint of their erstwhile British partners, her disillusionment would have been less. I repeat that there is no such thing as sentiment in the political or economic relations of nations. The thing must pay dividends or it goes overboard.

In Russia's modern dealings with China, the Soviet has been unhampered by a 'ballast of inheritance' so to speak. The Russians had emerged from a revolution with a clean slate. Owing to the destruction wrought by the war and the further destruction wrought by the revolution, Russia was so weakened that she had lost her 'special position' of dominance in the Far East so that she could offer no resistence even to China when China moved to revise the 'unequal' treaties. Therefore the Russians simply capitalized the position of 'equality' which they were forced to accept and made the best of a bad bargain. The Russians had to make good in China and make their relationships with Chinese pay dividends for both parties, otherwise there was no field for them in China.

When the Soviet made its first deal with Dr. Sun Yat-sen, it was very necessary for the Soviet to prove to Dr. Sun and his followers that the deal would be mutually beneficial. The same thing applied in the Soviet's dealings with the 'Christian' General, Feng Yu-hsiang. After the collapse of the Kuominchun, or 'People's Army' at Nankow,it was thought, and confidently hoped, in many quarters that this would prove the death-knell of Sino-Russian relations. Especially, it was thought that Canton, seeing Feng Yu-hsiang defeated, would immediately lose confidence in the ability of the Bolsheviks to 'put it over' at Canton. It is known that there were many important conferences among the leaders of the Nationalist Movement on this very point of continuing their relations with the Russians. Many influential Cantonese were of opinion the Russians should be thrown overboard. At this critical point in the relations of Canton and Russia, no high-sounding speeches by Karakhan or benvolent utterances by Borodin, could possibly have influenced the Cantonese to go on with the past arrangement. It was at this point that the Cantonese searched their hearts and after summing up the evidence, decided to carry on with the Russians.

The reasons for this are what I intend to discuss in as impartial a manner as possible in the light of my recent visit to Canton and inspection of the situation existing there under the so-called Nationalist Government.

Russian Activities and Results

Much as the Cantonese had hoped for the moral support of the Chinese people and the "People's Government", still they had to reckon with the opposition of China's own militarists. Force can only be met with force-they realized and immediately saw the necessity of organising a big army, well equipped and organised, able to cope with any Chinese opponent.

Here is where the Russians came in for after but two years of work as instructors the Russian officers succeeded in placing at the disposal of the Cantonese generals a well trained army of about 50,000 soldiers with up-to-date equipment. The so-called Whampoa 'Cadets' in groups of thirty to forty were placed in every regiment. They were and are the leaders in attack; *piece-de-resistance* in defence. For the first time in the history of Chinese civil warfare the Cantonese general staff under Russian guidance made a proper use of railway-lines and hinterland-connections. Reinforcements could be shifted hither and thither, not aimlessly, but according to well laid out plans. Reinforcements could be depended upon to arrive in time and turn the scale in Canton's favour. The artillery, units though surpassed by their opponents, could show a fine discipline heretofore unknown in China and on top of it all was the successfull propaganda work as conducted by Russia among the Cantonese soldiers of all description.

The Propaganda Campaign

No war ever started in China without both parties issuing bombastic manifestos and claiming to be 'compelled' to fight owing to their opponents attitude and to aim at nothing but China's welfare and so on. It is one thing to put such stuff on paper, but quite another to make the people or even the leader's own soldiers believe it. I have visited the Whampoa Academy twice and have had talks with many Cantonese soldiers on different occasions. It is surprising, how familiar everyone is with the party-phraseology. They have a clear view of what they believed to be their just cause; they have no illusions as to China's being but a little wheel in a big machine, somewhat vaguely referred to as the "international revolution" or "the proletariates' fight against international capitalism". Yet, the fact can not be too strongly emphasised. These Whampao Cadets have ideas. They think they are fighting for a cause, which appeals to them, and their commanders can rely on them.

I venture the unusual statement that whatever the outcome may be of the present fighting, a breakdown of the Cantonese army is not likely to be due to the Cantonese soldiers being "bought over". By means of a very elaborate organization, which shall be dealt with later on, the present government of Canton has taken precautions so as to make sure of their generals. For once it seems that the usual treachery common to Chinese wars will be eliminated. As for the soldiers, the government does not have to worry. They belong to the "cause of the Three Theories", thanks largely to the Russian organized propaganda.

The Civil Organization

Before continuing the enumeration of items in Russia's credit account with Canton two things should be thoroughly understood. The writer does not venture his own opinion as to their merits or whether they will prove wholesome or beneficiary to China, nor do these accomplishments form the only innovations brought forth in Canton by the Russians. Many a change of no less importance has been championed by the Cantonese themselves, partly in accordance with the principles of 'Sun-Yat-Senism,' and partly as the result of the efforts of foreign-educated returned students.

Striking evidence of the determination of the Kuomintang, to see things through in their own way, may be found in the methods of their employing foreign advisers. Since the so-called "unilateral treaties" were signed with the then Imperial Chinese Government, the Powers have seen to it that a certain number of 'advisers' have always been employed by the Chinese Government in order to help the Chinese operate their respective departments. With the exception, however, of a few governmental branches such as the Administration of the Customs-Revenues, the Post and Telegraph, and Communications these advisers have neither expected to nor have been wanted by the Chinese to do much actual work. They were provided with nice offices in Peking; they received nice salaries; sometimes they were given nice decorations and rank. Well, such advisorships have been what we might term in business-slang, "a soft job." The less actual work the foreigner did, the more he confined his activities to the club-bar, to speechmaking or evolving memoranda, the more welcome and *persona grata* he was with the Chinese Government.

Canton Puts Them to Work

Now for this sort of thing Canton has, first and before all, not enough money. Canton had to pay the (astonishingly low) salaries out of her own chest, for nobody gives loans to Canton on the strength of what her advisers promise to accomplish. Secondly, for a government proclaiming the Chinese to be the foreigners' equals and for this reason fighting against foreign tutelage, it would be ridiculous to make the foreign advisers *superiors* to the Chinese. The Cantonese put their advisers to work and made them 'work like niggers'. A case is known to the writer of a well-known German doctor, who, using old connection with influential Cantonese, applied for a job as medical adviser to the Canton Government. His application was turned down and preference given to a qualified Chinese doctor. This action was not due to anti-foreignism but as it was pointed out to the German, the very points, which he supposed to be in his favour, namely a twenty years stay in China, were considered by the appointing committee as being against him. With all due regard for the excellent German medical school there is little

doubt but that as regard professional skill and training a young Chinese doctor just returned from the United States, and familiar with the latest discoveries of importance, should be better fitted for so responsible a position, Surely it does not require a long official letter to explain, why preference is given to an up-to-date Chinese against an out-of-date foreigner.

The Greatest Russian Contribution

The biggest achievement, for which Canton must thank Russia,—and this time the writer associates himself wholeheartedly with the Chinese—, is in this matter of distribution of power between military and civil authority. Few foreigners realise the significance, when under the date of, say December 12 the fall of Kiukiang is announced and on December 15 the appointment is announced of Mr. X. for the post of Civil Governor. By placing new territory immediately under the civil authorities; by thus confining the activities of the militarists to the actual theatre of war, Canton has clearly shown that with them the army is but a means towards their goal; that, if warfare is necessary, it shall surely be only transitory. And lest there should be any misunderstanding or suspect of camouflage, the Cantonese take special care in always selecting a civilian as civil governor. What Germany failed to do in Belgium and Poland,—for the so-called Civil Governors were all "Generals",—what France saw fit to do only after many months of Moroccoan warfare, this little consideration for the wretched population in war-stricken provinces is understood to be given by the Peoples Government of Canton. For obvious reasons a civil population prefers the rule of civilians to that of the militarists. There are no courtmartials, and no forced conscriptions. The Cantonese armies are known to pay for their requisitions, and special taxes on the inhabitants of war-zones are strictly forbidden, unless authorized by the Department of Finances at Canton-Wuchang. I firmly believe this rule to be strictly adhered to, since two brigadiers recently have been courtmartialed and summarily dealt with for its violation.

Thus we have one of the reasons, why the Canton Government so easily enlists the cooperation of the population of whatever province their troops enter. Frequently the fact has been mentioned by correspondents to the foreign press in China that mail-carriers, farmers, sampan-people, in short the working-class people participate readily in the war by doing all kind of intelligence-and spy-work for the South. I don't quite see, why one should blame the Kuomintang for using their help. If participation in "Guerilla-warfare" was a proof of patriotism with the Belgians and French, it should not be disgraceful with Chinese.

How the Army is Paid

In connection with the above-mentioned taxation question and the means, adopted by Canton to keep their generals in their places, their way of paying their army is also a clever one. It is something along the line of "How to train a police dog", based on the experience; "He licks the hand that feeds him." The paymasters of the Cantonese army are but temporarily appointed to their respective positions and directly responsible to the war-office. Thus, even with the troops far out in the first lines, Canton still remains a *deus ex machina*, a factor to be reckoned with as the "feeding hand." And since the generals are known to their men as being in turn just as dependent on Canton for matters of pay, chances are that, even if a commander should feel like declaring himself "independent" or "neutral" his soldiers would hardly follow suit.

It cannot serve any useful purpose, if, while analyzing Russia's position in Canton, we close our eyes to the fact that from a military view point Canton has done well in consequence of this alliance. No good can come from belittling ones enemies. Canton, thanks to Russian cooperation, commands today the best army in China. And as long as this army continues to be the deadly weapon in the hand of their leaders, Russia's position in Canton is assured.

Newspaper correspondents and missionaries, however, approaching every problem from a pre-conceived viewpoint, do not fail to prophesy that with a decisive victory over the Southern forces Russia's influence would be doomed too. But they do not consider the fact that a change of government in Canton would only bring the radicals to the forefront who might just as well as the moderate wing of the Kuomintang party then cooperate with Russia. If the moderates have made good use of Russia's constructive abilities, for organization, then the destructive forces in Bolshevism should appeal also to the radicals. The golden age of universal brotherhood has not come yet. No Cantonese proclaims that. But it is time for the foreign "diehards" to acknowledge that many are the signs—apart from mere hooliganism—of a genuine awakening of the Chinese nation. 'The white sun in the blue field' is the emblem of Sun-Yat-Senism—everything, the Cantonese to-day hold most dear and desirable. The young Chinese student has studied his Shakespeare too well not to recollect the verse from "King John" and to apply same to his own country:

"England never did, nor never shall
"Lie at the proud foot of a conqueror."

It would be subversive of every principle of our own democracy, if we could not deal with the Chinese National Movement against the notion that, whatever is profitable, is right. If the salvation of China cannot be accomplished by the moderate wing of the Kuomintang the present rulers of Canton, any future attempt will surely be foredoomed to failure. And with China the world at large would have to account for irreparable loss.

This is the second of a series of articles dealing with the Nationalist Government in South China by Mr. Fritz M. Witkowski, well-known German newspaper correspondent in China. Mr. Witkowski has just returned to Shanghai from a stay of several months in Canton where he had ample facilities for observing the organization and functioning of the Canton Government.

Last Year a Bad one for the Cotton Trade

BY B. Y. LEE

THE cotton mill industry in China in 1926 started out with a revival in prospect and ended the year in a general depression chiefly due to the political disturbance in the southern provinces, particularly in Szechuen Province where the demand for yarn is usually large in times of peace. The price of both local raw cotton and yarn reached its lowest level since 1922. Due to military interference with communication and transportation, the cost of raw cotton in the Shanghai market was from one to two taels per picul higher than usually prevails in times of peace. It was also from two to five taels per picul cheaper than that of the American middling, while during normal times the usual difference is from five to ten taels per picul.

Undoubtedly the civil war was the chief factor that hindered the usually brisk demand for yarn. Local mills only spin low counts of yarn, from 10's to 16's mostly, which is almost entirely consumed by the peasant or laboring class. Whenever the latter are in distress the yarn market is deeply affected. The decline of yarn was almost in a straight line because the price of the local cotton always goes in full sympathy with that of the New York quotations. The price of American middling dropped from 22 cents per pound in February to 12 cents in Nov. while that of the local staple declined correspondingly from 33 taels per picul to 27.50 taels in November. Five local Chinese owned mills have bought too much raw cotton, from 10,000 to 30,000 piculs at around 32 taels per picul and two mills have ordered 20,000 to 30,000 bales of American cotton at 17 cents per pound. A large American crop this season may force these mills into bankruptcy in the near future. In the past the price of local cotton has always been at its lowest level during harvest time, but last year the price did not decline till the beginning of November for a majority of the people believed that the price of American cotton would eventually go up to 15 cents per pound. More than half of the Chinese owned mills can not possibly pay annual dividends for last year, while most of the Japanese managed ones have made a fair profit.

Price Prevailing During the year

The following figures show the price of local cotton and yarn quoted at the Cotton Goods Exchange and also that of the New York Cotton Exchange:

	Local yarn ($ per bale)		local cotton ($ per picul)		New York Cotton	
	high	low	high	low	high	low
Jan	148.70	147.20	32.90	11.95	21.25	20.40
Feb	148.50	142.50	32.85	31 45	21.75	19.75
March	144 70	139.80	31.95	29 25	19.60	19.05
Apr	144.50	338.40	32.20	29 00	19.45	18.75
May	140.30	136 10	29 00	27.65	19.35	18.70
June	138 70	134 10	29.75	27.55	18.85	18.00
July	141 90	137.60	32.95	29.60	19.50	17.85
Aug	143.10	139 80	32.45	30.50	19.30	17.70
Sept	140.80	133 40	.....	.....	18.95	14.70
Oct	137.30	130.10	31.90	29.50	14.30	12 45
Nov	132 80	122.50	30 40	27.65	13.15	12 60
Dec	126.70	124 90	28.95	28.15	13.10	12.15

In the absence of an Agricultural Department in this country it is impossible to state with any degree of accuracy the exact nature of the cotton crop of this season or any other season. The Chinese Cotton Millowners' Association in Shanghai has sent many experts to various cotton growing districts to collect data, which constitutes an official report for the season's estimate. Unfortunately the civil war has been going on in many cotton districts, which has hindered the making up this season's report. The following figures

Last Year a Banner one for Silk Trade

BY PAUL K. WHANG

THE Year 1926 was welcomed by silk men because since 1919 one of the prosperous years in China silk history, the silk trade has had a series of misfortunes; cocoon crops were poor but held at a high price, while foreign demands for raw silk were small and consequently the price for silk always remained at a low level. As a result, silk men were in a desperate position, and it was not unusual to find filatures closed, laborers unemployed and stocks unsold. Moreover, in August of 1923, the Japanese Earthquake was at first considered a blessing to the Chinese silk men, but finally it turned out to be a curse, a nightmare, and a lesson which the silk men will never forget for years. Influenced by the exaggerated news, the market in China became unstable, and the price went up and down in a matter of hours by the difference of hundreds of taels. Speculation ruled the market and silk men went wild. We possibly will never see a similar time in the future. Though the situation was only ephemeral, the loss attributed to that cause was inestimable.

The War Situation of 1924

To crown all in August, 1924, when prospects were good war broke out between Kiangsu and Chekiang and no sooner was the first war over, which lasted about forty days, than a second war was staged on the same scene at the closing of the same year. The second was even more disastrous, because no filatures at Wusih escaped looting from the defeated soldiers. During the wars, the filatures were either operated half of their usual working hours. or closed down altogether, excepting those which were located inside the barrier of the Shanghai Settlement. The losses resulted from the wars directly and indirectly never became known, but from my own estimation, it would run little short of seven figures. The dawn of 1925 found the country devastated by the bandit-soldiers, and war clouds still were thick. Peace was not regained until March of that year. Thanks to providence cocoon crops of that year were good, and the price of raw silk was high most of the time. Therefore the silkmen were again in good spirits at the end of 1925. The profit thus realized compensated a fraction of their losses suffered previously. As a result of the optimism, new filatures were opened while the old ones were operated at full swing. Full of bright prospects, the silk men anxiously awaited the coming of 1926. In reviewing the 1926 raw silk industry, the writer will attempt to take up the following points for a general discussion.

(*Continued from page 174*)

show the crop estimate in Kiangsu, Chekiang, Shangtung, and Honan Provinces:

	1924	1925	1926	
Ku	2,768,781	2,424,757	1,850,662	piculs
Chekiang	675,567	906100	451,746	
Shangtung	937,224	995.600	408,130	
Honan	572,142	618.100	676,360	

The followings show the number of mow of land used for cotton cultivation in this season in these provinces:

Ku	7.760,893	7,815,100	7,161,500
Chekiang	1,867,200	1.772,920	2,058,527
Shangtung	2,984,385	3,099,191	1,736,565
Honan	2,677,000	2,694,500	2,438.000

On account of the bad weather, private reports from various northern provinces have shown that this season's crop decreased considerably. From the report the total yield per mow in south Chili has been estimated from 20 to 70 catties, and in north Chili, from 50 to 90 catties per mow. After a very careful consideration, the Chinese Cotton Millowners' Association has estimated that the present total crop is 25 percent less than that of the last season. The following figures show the total crop of the past nine years:

Total crop	total amount of land used for plantation	
1918	10,965,530 piculs	30,037,880
1919	9,910,000	28,321,300
1920	6,750,000	28.216,168
1921	5,438,000	27,454,590
1922	7,342.000	29,554,000
1923	7,100,000	29,000,000
1924	7,800,000	32.000,000
1925	7,575,000	31,000,000
1926	5,680,000	.....

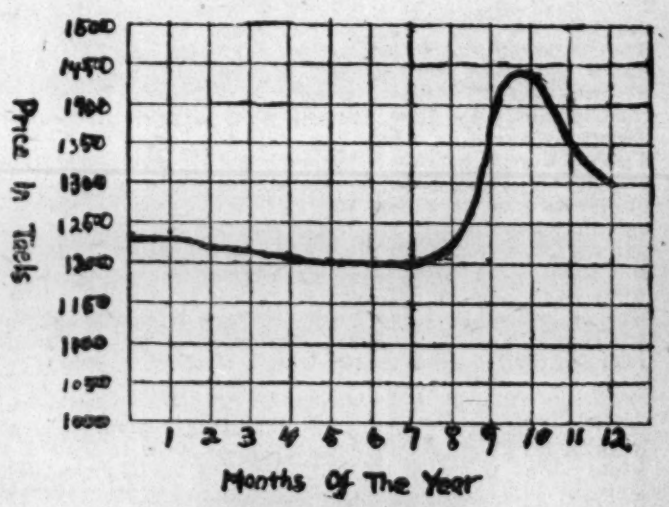
For the past four years the price of cotton has been too dear and the demand for yarn has been very dull. Now the price of "No. 16's" yarn is 126 taels per bale or about 40 percent less in price than that in 1922 to 1925. Many interior districts are practically bare of stock, and should the present fighting be stopped even temporarily, the demand for yarn would be undoubtedly brisk and the local cotton mills would be in a better position than what they have suffered in the past years.

Shanghai Jan. 8, 1927.

The Raw Silk Market

At the beginning of the year, the market was very quiet. Most of the filatures sold their goods on forward contracts up to the new season at the closing of the previous year. However, the price then was at a low level, and silk of the best 'chop' could only be sold at 1,230 taels per picul. French-francs became cheaper in terms of Chinese taels, and the rate fluctuated daily. Thereby the French market was absolutely deadlocked and the American market was dull. In the United States, the silk business was not at its best, and some of the mills went to the wall. In March, the "new" silk of the best 'chop' was sold at 1,220 taels for June delivery. A little explanation is needed in regard to the word "new" since, as customary, in the months of March and April, the silk men will sell on forward contracts the silks which are going to be reeled from the cocoons of the coming season. In order to differentiate the silks reeled from the cocoons of the last season, the products are labelled as "old" and "new." Furthermore, the price thus fixed will be the gauge for the price which they will pay for the new cocoons.

After the cocoon season, the market was no better. The best silk was sold at 1,200 taels, and silk men became more or less alarmed, and were not firm in holding up the price they asked for their product. Not until August, American exporters came in to save the situation. On several occasions, five hundred bales of raw silk were bought by Eagle & Co. for American consumption, while France and England also imported a small amount. The price then took up thereafter. The price reached its climax of the year in the latter part of September and October, when the best silk was sold at 1,440 taels per picul. To analyze this unusual phenomena, we must attribute it to the difference of the rate of exchange between America and China and with America and Japan. Since the middle of September, gold dollars in terms of taels became dear. The amount of one hundred taels, according to the normal rate, could be changed for seventy-two or seventy-three gold dollars, but could only buy sixty-three gold dollars. In Japan, the situation was reversed. On account of this difference, the American consumers could save one hundred and twenty gold dollars on every picul of China silk purchased (supposing the silk was sold at 1,200 taels per picul,) but they had to pay one hundred and sixty gold dollars more in buying every picul of Japan silk (supposing the silk was sold at 1,500 yen.) This explains the big exportation of China silk to America during this period. On the other hand, the English and French consumers, in fear of the exhaustion of their supply, also came in the market to bid for goods. Therefore the price went up by twenty or thirty taels every day, until finally the highest watermark of the year, 1,440 taels per picul for the best silk, was reached. After a sudden jump, a slump followed. The reasons were (1) Japan silk was sold at a much reduced price, (2) the Chinese producers were firm in their demanding price, and (3) last but not the least, the possibility of another war being staged around Shanghai. In the months of November and December, there was practically no transaction in silk. When the curtain dropped for another year, we found the price once again going down by one hundred taels. The following graphic representation will indicate the fluctuation of the price for the year 1926.



The Cocoon Situation

The cocoon season started a little late last year on account of the continuous cool weather in the spring and the crop was somewhat affected on that account. In speaking of

Chekiang, where the season usually starts two weeks earlier, the best cocoons were produced around the Changan and Kashing districts, while the crops around the Hangchow vicinity were not as good as they should be. In Kiangsu, the Soochow crop was considered a good one, while the products in I-Shing and Lihyang were not up to their usual standard. Wusih cocoons were a little better than those of last year. The crops in Anhwei were as usual. The gross yield of best cocoons was 500, that is, it took five piculs of dry cocoons to make one picul of raw silk. The price paid for fresh cocoons varied in the districts. In Kiangsu and Chekiang, the price ranged from fifty to seventy dollars for one picul of fresh cocoons, while Anhwei cocoons received forty-five to fifty dollars per picul (Anhwei cocoons are much poorer in quality, and to make one picul of raw silk it takes seven piculs of dry cocoons.) It is generally believed that about 1,000,000 piculs of fresh cocoons are produced in Chekiang yearly, while Kiangsu and Anhwei contribute 350,000 and 30,000 piculs respectively.

It is a pleasure to mention the fact that during the cocoon season last year, cocoons raised from 'disease-free' eggs were found in abundance here and there. The disease-free egg sheets were greatly in demand before the season, and their intrinsic value was generally recognized. This was due partly to the efforts exerted by the International Committee or Improvement of Sericulture and some Sericultural schools, such as the college of Agriculture of Nanking University and partly to the extra remuneration ($10.00 extra per picul) paid for fresh cocoons raised from the disease-free eggs. At Tungting of the Wusih district, more than one hundred and fifty piculs of fresh cocoons raised from the disease-free eggs were collected, and it was known that their gross yield was 400. Moreover, during the cocoon season of last year, specially trained girls were sent out to the country to teach the people the rearing of silkworms in a scientific way. I am sure that this is happy tidings to the silk men who have complained so much about the poor quality of the native cocoons during the last few years. The following table indicates the price paid for the fresh cocoons in different districts and their respective gross yield.

Prices Paid for Fresh Cocoons

Name of districts	*Price per picul*	*Gross yield*
Soochow	$55.00—$65.00	520—580
Wusih	50.00— 60.00	580—700
I-Shing	65.00— 70.00	540—580
Liyang	65.00— 70.00	530—570
Hangchow	55.00— 65.00	530—580
Changan	55.00— 65.00	500—560
Kashing	60.00— 65.00	500—560
Shaosning	60.00— 70.00	550—600
Anhwei	45.00— 55.00	630—730

The Labor Problem

The fact that the year of 1926 witnessed more labor troubles in the silk industry than at any time before, might be influenced by various causes. First of all, labor unrest was found in every industry, here and there and one after another. It was the fad of the year. Secondly, the price of rice went up to twenty dollars per picul, a price which had never been heard of before. And lastly, new filatures sprang up, and competed with the old filatures in bidding for experienced silk girls by offering extra payment. Take the general strike at Wusih for instance which occurred before the cocoon season, a new filature offered five dollars extra payment for every first class reeler to work in its filature. The example was immediately followed by an old filature under the same management. Thereby the girls of other filatures also asked their respective management for this extra payment, As their demand was not complied with, a general strike followed. The girls even went so far as to destroy the properties of several filatures and attack the employees. Finally joint conferences were held, and the producers had no other way to save the situation except by submitting to their demand. Besides the extra money being paid, working hours were limited to eleven hours a day and the daily wage for a first class reeler was increased from forty-five cents to fifty cents. In addition, if the silk girls worked incessantly without a single day off in one month, a bonus of two days' pay would be rewarded. At last, the girls resumed their work after two weeks' strike.

Still More Labor Trouble

Right after the Wusih case, Shanghai became the center of labor troubles. At the outset, several girls demanded the abolition of the Silk Girls' Union because of some alleged abuses. The Union was managed by the girls themselves and organized for their own benefit, but financed by the filatures at Shanghai (Before its abolition, each filature had to contribute fifty cents per basin per year to this fund.) In the case of a strike, the differences were usually patched up by the joint conferences between the members of the Union and of Silk Filatures and Cocoon Merchants Guild. The Union made its first appearance in 1923, and since its organization it was not satisfactory to all the girls. Largely influenced by the Wusih instance, they asked for its abolition, or they would go on strike. No sooner was it taken up by the producers than the girls of the filatures at Chapei went on strike. Gradually the strike spread to some other parts of the city. At last, nine out of ten filatures were tied up. Not only the Union house was demolished and its officers were attacked, but the properties of some filatures were destroyed. The soldiers and police forces had to be summoned to keep the strikers quiet. Conference after conference, a final agreement was reached, by which the Union was to be abolished, and the daily wage was to be increased from forty-five cents to fifty cents. As customary, after the opening of a new season, two or three cents extra was to be paid to each reeler every day, but the extra was to be cancelled after the Chinese Mid-Autumn Festival. In 1925, the daily wage was increased from forty-five cents to forty-eight cents after the new season. From this, we readily know that two cents more were paid last year, but, by the way, the extra money was still paid after the Mid-Autumn Festival on account of the incessant labor troubles. Again, in case of no absence in two weeks, two extra days' pay was awarded, and four extra days' pay was to be paid, if the girl worked everyday in the month (Several filatures used to work everyday in the month.) At Soochow, in May the girls of one filature also went on strike, and wages were also increased thereby. Since then, strikes have happened once in a while, but they usually were limited to one filature, and the differences were easily patched up.

Foreign Exportation

American exporters played a very important role in the China silk trade last year. They purchased much more silk than the exporters of other countries combined. Among the American exporters, special credit should be given to Eagle & Co., which bought five hundred bales of raw silk on several occasions just at the time when the business was at its low ebb. Owing to the constant fluctuation of the rate of exchange between francs and taels, the French market was dull throughout the year. England came to the market to do a little buying occasionally. For the time being, the figures for the total exportation are not available. The writer is very glad to mention at this point the opening of a branch office of the General Silk Importing Co. of New York at Shanghai, which is now ably managed by Mr. Janor, who has been in China in connection with the silk trade for a number of years. Though it is a new concern, it has already played an active part in the Shanghai silk market. I am sure that every one has great hopes in its future development.

In conclusion, 1926 was another prosperous year for silk men. The cocoon crops were generally good, while the price for raw silk was high for most of the time. The labor trouble gave the silk men some hard times. In the summer they also suffered losses resulted from the excessive warm weather which lasted more than one month, and during the dry and hot days, filatures were operated only half of their usual working hours. But when the year drew to an end, another war seemed inevitable between Kiangsu and Chekiang, but it is altogether premature to predict the results of the coming war upon the silk trade.

Shanghai Jan. 4, 1927.

Customs Revenue for Various Ports in 1926

The Chinese Maritime Customs Revenue for 1926 amounted in round figures to Hk. Tls. 78,100,000 an increase of Hk. Tls. 8,230,000 as compared with the collection for the year 1925.

The following table shows in round figures the collection for 1926, and the increase or decrease, at the principal ports:

Harbin	Hk.Tls.	2,080,000	an	increase of	Hk.Tls.	619,000
Antung	,,	2,038,000		,,	,,	144,000
Dairen	,,	6,785,000		,,	,,	622,000
Newchwang	,,	1,086,000	a	decrease of	,,	204,000
Tientsin & Chinwangtao	,,	8,305,000		,,	,,	646,000
Kiaochow	,,	3,337,000	an	increase of	,,	200,000
Hankow	,,	5,171,000	a	decrease of	,,	223,000
Wuhu	,,	857,000		,,	,,	388,000
Shanghai	,,	32,706,000	an	increase of	,,	6,682,000
Amoy	,,	1,099,000		,,	,,	163,000
Swatow	,,	1,413,000	a	decrease of	,,	64,000
Canton	,,	4,497,000	an	increase of	,,	1,542,000

The 1926 Revenue of the Native Customs under the Inspector General's control amounted in round figures to Hk. Tls. 4,500,000. This collection shows a decrease of Hk. Tls. 228,000 as compared with the Revenue for 1925.

Industrial Machinery Market of China

BY W. H. RASTALL

In Commerce Reports

TOTAL imports of industrial machinery into China during the year 1924 (the latest for which statistics are available) amounted to $18,672,000, as compared with $21,904,000 and $41,387,000 for the years 1923 and 1922, respectively. Although such a comparison, with the years immediately preceding, may appear very unfavorable, a study of this trade in connection with that of pre-war years reveals some facts which are most encouraging.

The 1924 machinery import trade represents four times the average value for the pre-war years 1910 to 1913, inclusive, which amounted to only $4,604,000. In view of the political disturbances which China has been experiencing, this showing is a tribute to the remarkable trade vitality of that country, and argues well for renewed activity when conditions become more favorable. This trade expansion is also indicative of the growing industrialization of China, which is taking place in common with other Asiatic countries.

World Competition for the Machinery Trade of China

A study of the participation of the machinery producing countries of the world for a share of the Chinese trade reveals some very significant development. In 1924 Great Britain, the principal supplier to this market, shipped to China industrial machinery valued at $5,519,384, followed by the United States and Canada with a total of $3,859,731, Japan with $3,520,916, and Germany with $3,179,075. The pre-war situation, as revealed by average for the four years 1910 to 1913, inclusive, were as follows: Great Britain, $1,730,050; Germany, $847,736; Japan, $409,224; and the United States and Canada, $331,620. In comparison with this pre-war period shipments from both Great Britain and Germany have increased more than threefold, those from Japan nearly ninefold, while those from the United States have risen almost twelvefold, or more than the shipments of any other competing country.

United States Advances to Second Place as Source for Machinery.

The standing of the principal suppliers to this market prior to the World War, as indicated by the average percentages shared during the years 1910 to 1913, inclusive, was as follows: Great Britain, 37.9 per cent; Germany, 18.3 per cent; Japan, 8.9 per cent; and the United States, 6.8 per cent. The relative participation in the trade of 1924 gives the following order: Great Britain, 29.6; United States and Canada, 20.7 per cent; Japan, 18.8 per cent; and Germany 17 per cent. The United States has thus moved to second place, and Germany has dropped to fourth position, although it is close to Japan.

The industrial machinery imports of China are becoming more largely controlled by Great Britain, the United States, Japan, and Germany, and less widely distributed among other nationals. The percentages shared by "all other countries" in the years 1910 and 1911 were 26.8 per cent and 29 per cent, respectively, and rose as high as 35 per cent in 1912, whereas the portion so shared in 1924 amounted to only 13.9 per cent.

Total value of imports of industrial machinery into China by countries of origin, including all machinery except agricultural, embroidering, knitting, and sewing machinery, and each country's percentage of total trade.

(Values in thousands of dollars)

Year	United States and Canada		Great Britain		Japan		Germany		Total value, including all other countries
	Value	Per cent	Value	Per cent	Value	Per cent	Value	Per cent	
1910	$641	8.9	$2,662	36.9	$ 686	9.5	$1,296	17.9	$7,220
1911	248	5.8	1,515	35.5	302	7.1	964	22.6	4,265
1912	133	3.8	1,305	37.5	287	8.3	524	15.1	3,481
1913	304	8.8	1,439	41.7	361	10.5	607	17.6	3,447
1914	456	8.4	2,512	46	571	10.5	708	13	5,456
1915	453	16.6	1,181	43.2	517	18.9	4	0.1	2,733
1916	852	17.6	1,857	38.4	1,573	32.5	7	0.1	4,844
1917	1,453	23.4	1,698	27.6	2,492	40.4	.....	.....	6,162
1918	3,012	30.4	1,655	16.7	4,498	45.4	.....	.....	9,904
1919	8,907	44.7	2,883	14.5	5,011	25.1	.....	.....	19,916
1920	15,105	54.1	6,484	23.2	4,622	16.5	82	0.3	27,943
1921	16,112	38.6	16,163	38.7	5,428	13	731	1.8	41,725
1922	9,657	23.3	18,542	44.8	7,586	18.3	2,096	5	41,387
1923	3,482	15.9	8,231	37.6	5,049	23.1	2,330	10.6	21,904
1924	3,860	20.7	5,519	29.6	3,521	18.8	3,179	17	18,672

[1] The haikwan taels of the official Chinese customs statistics have been converted into dollars upon the following bases: 1910, $0.66; 1911, $0.65; 1912, $0.74; 1913, $0.73; 1914, $0.67; 1915, $0.62; 1916, $0.79; 1917, $1.03; 1918, $1.26; 1919, $1.39; 1920, $1.24; 1921, $0.76; 1922, $0.83; 1923, $0.80; 1924, $0.81.

The United States and Japan both enjoyed a largely increased share of the Chinese machinery trade during the years of the World War, and their present participation, as indicated by an average for the years 1922 to 1924, inclusive, is almost identical. The fact that Germany has almost regained its average pre-war share of the Chinese imports is also significant. These developments are set forth graphically in the accompanying chart.

Market for Propelling Machinery Shows Strength

Imports of propelling machinery (boilers, turbines, etc.) into China amounted to $1,574,928 in 1924 as compared with $1,233,293 in 1923, representing a gain of almost 28 per cent. The growth in the market for this type of machinery is forcefully shown when compared with that of the pre-war years of 1911 to 1913 inclusive, when the average imports of propelling machinery amounted to only $397,102, or about one-fourth of the 1924 volume. This growth in trade is shown in detail in the table that follows.

Imports of propelling machinery (boilers, turbines, etc.) into China, years 1911-1913 and 1922-1924, inclusive

Year	United States and Canada	Great Britain	Sweden	Germany	Japan	Belgium	Total value, including all other countries
1911	$ 28,918	$203,028	.....	$16,005	$17,382	$ 1,903	$ 291,580
1912	19,849	290,783	.....	31,084	31,060	3,215	419,130
1913	32,094	296,909	$ 864	74,916	33,161	19,263	480,596
1922	264,266	1,249,644	15,302	237,710	180,578	6,342	2,068,966
1923	278,584	575,622	47,414	183,128	82,164	17,066	1,233,293
1924	239,685	804,631	228,472	116,042	73,214	33,195	1,574,928

The increased participation of the United States in China's market for propelling machinery is also significant, for its share had more than doubled in 1924 as compared with its average share for the years 1911-13, inclusive. The British participation, on the other hand, has decreased from an average of 67 per cent for the pre-war period to 51.1 per cent in 1924. The growing share of Sweden in this field is also noteworthy, having increased from nothing in the years 1911 and 1912, and only 0.001 per cent in 1913, to 14.5 per cent in 1924.

Textile Machinery Imports Still Far Above Pre-war Levels.

Imports of textile machinery have been decreasing steadily from the unusual levels of the war and postwar boom periods, and in 1924 the total value of such imports, namely $4,756,336, represented less than half of the total for 1923. Nevertheless, the 1924 imports of this class of machinery represented more than 11 times the average value of the imports for the pre-war period of 1911 to 1913, inclusive, which amounted to only $389,301. These developments are shown more in detail in the following table:

Imports of textile machinery into China, years 1911-1913 and 1922-1924, inclusive

Year	United States and Canada	Great Britain	Japan	Germany	Belgium	France	Total value, including all other countries
1911..	$4,655	$156,802	$39,103	$9,823	.....	$487	$215,529
1912..	7,315	227,389	37,169	370	$4,255	38	339,375
1913..	1,909	490,670	82,125	15,995	9,694	332	612,999
1922..	6,565,335	12,592,619	5,581,969	261,984	121,184	31,324	25,339,307
1923..	746,826	4,921,891	3,646,227	227,609	24,886	183,205	9,867,534
1924..	491,531	2,129,258	1,747,265	184,721	69,385	55,757	4,756,336

Competition in Textile Machinery

The share of the United States and Canada in China's imports of textile machinery increased from approximately 8 per cent in 1923 to 10 per cent in 1924, whereas the share of Great Britain decreased from 50 per cent to 45 per cent. The comparison becomes more striking when based upon pre-war years, for the American participation has increased from an average of only 1.6 per cent for the years 1911 to 1913, inclusive, to 10 per cent in 1924, but that of Great Britain has decreased from an average of 73 per cent for the pre-war period to approximately 45 per cent in 1924.

Of outstanding importance in the textile machinery market of China is the growing participation of Japan, which has increased from an average of only 14 per cent for the pre-war period to 37 per cent for each of the years 1923 and 1924, so that this country now ranks second only to Great Britain as a source for such equipment.

Market for Machine Tools Closely Contested

China imported in 1924 machine tools worth $529,894, as compared with $393,590 in 1923, and an average of only $21,-268 for the pre-war period 1910 to 1913, inclusive. The fact that this type of machinery is only in demand where there is a comparatively high industrial development, lends added significance to this growth in trade and shows clearly the progress that China has made along these lines.

This market for machine tools is closely contested and the relative importance of the principal countries enjoying a share in this trade varies considerably from year to year. In 1924 the United States ranked first, supplying 29 per cent of the total imports, with a value of $153,094, closely followed by Japan with a share of nearly 28 per cent and an import value of $147,017. The situation was quite different in 1923 and 1922, when Germany held first rank, with a share of 44.5 per cent and 31 per cent, respectively, and the United States was second in importance in 1923 and shared third place with Great Britain in 1922. Both of these countries were surpassed in that year by Japan.

Position of Countries in Machine-Tool Trade

Comparing this situation with pre-war experience, Great Britain has lost the preeminent position which it held in this particular market, while the United States and Japan have gained considerably. The participation during the years 1910 to 1913, inclusive, was as follows: Great Britain, 28 per cent; Germany, 20.4 per cent; Japan, 11.2 per cent; and the United States, 2.6 per cent. The status of the various nationals sharing in this machine-tool trade is set forth in greater detail in the following tables.

Imports of machine tools into China, years 1910 to 1924, inclusive

Year	United States and Canada	Great Britain	Germany	Japan	Total value, including all other countries
1910	.....	$3,650	.....	.....	$15,085
1911	$ 400	6,304	$3,583	$ 694	18,022
1912	98	4,237	4,651	3,043	14,525
1913	2,754	8,842	11,073	7,471	37,440
1914	7,371	16,107	14,209	17,267	64,931
1915	9,606	5,612	.....	26,098	45,143
1916	18,488	8,510	.....	39,295	77,245
1917	42,212	1,292	.....	165,289	214,646
1918	183,419	3,273	.....	250,682	439,876
1919	275,024	70,163	.....	308,574	694,796
1920	379,167	137,687	6,359	392,629	943,731
1921	211,149	224,867	25,899	222,507	714,656
1922	70,818	71,733	169,638	127,956	546,001
1923	71,148	59,326	175,242	52,636	393,590
1924	153,094	57,866	128,198	147,017	529,894

Percentage of China's machine tool imports as shared by competing countries, years 1910-1924, inclusive

Year	United States	Great Britain	Germany	Japan	Other countries
1910	.....	24.2	.....	.....	175.8
1911	2.2	35	19.9	3.9	39.
1912	.7	29.2	32.0	21	17.1
1913	7.4	23.6	29.6	20	19.4
1914	11.4	24.8	21.9	26.6	15.3
1915	21.3	12.4	.....	57.8	8.5
1916	23.9	11	.....	50.9	14.2
1917	19.7	.6	.....	77	2.7
1918	41.7	.7	.....	57	.6
1919	39.6	10.1	.....	44.4	5.9
1920	40.2	14.6	.7	41.6	2.9
1921	29.5	31.5	3.6	31.1	4.3
1922	13	13.1	31.1	23.4	19.4
1923	18.1	15.1	44.5	15.9	6.4
1924	28.9	10.9	24.2	27.7	8.3

[1] Nearly 66 per cent is listed as coming from Russia and Siberia by land frontier.

Market for Brewing, Distilling, and Sugar Refining Machinery

Imports of machinery for brewing, distilling, sugar manufacture, etc., have increased greatly, according to the Chinese customs returns for this general class of equipment. In 1924, total imports of machinery falling under this classification were valued at $1,126,835, as against $82,550 and $223,111 for the years 1923 and 1922, respectively. An even greater gain is seen in comparing with the pre-war years 1913, 1912, and 1911, when total imports were $35,849, $24,351, and $29,175, for the respective years.

The principal sources for machinery coming under this head vary greatly from year to year. In 1924 the most important supplier was Germany, with a total value to its credit of $532,185, followed by Belgium with $302,872, and the United States with $274,961; whereas during the preceding years the order was as follows: 1923, United States $69,264; Japan, $9,841; 1922, Japan, $159,281; United States, $48,153. As already indicated, imports of this class of equipment were small prior to the World War, the principal source being Great Britain in the years 1913 and 1912, with totals of $17,770 and $10,083, respectively, and Germany in 1,911 with imports valued at $19,120.

Machinery Becomes Popular in China

BY G. W. MISSEMER

CHINA and America furnish many strong contrasts, most of which are merely matters of custom and are not of any great importance. But there is one important difference, the significance of which is probably not generally realized. As a race the Chinese are undoubtedly the most industrious on the face of the earth, that is, from the standpoint of pure physical exertion. It is sometimes said that the Chinese save every thing except time. The Chinese perform tasks of prodigious dimensions but at the expense of physical exertion that is truly appalling. In America conditions are just the opposite. No American by any chance exerts himself to do anything by physical exertion he can possibly get a machine to do the work for him.

Much has been written and argued by sociologists against the machine-made civilization of the West, and particularly that of America. Idealists such as Tolstoy glorify the advantages of individual, physical labor. There are other incidented causes, but the fact remains that the American worker with his machine-made civilization lives exceedingly well, while the Chinese laborer, who depends mostly on the muscles of his back to perform his tasks, lives very poorly indeed.

It may be true that the American worker, behind his machine, leads a monotonous life. That is, it would be monotonous if he remained at the same task all his life, but very few of them do. On the other hand, the Chinese laborer usually does stay at the same task all his life. What could be more monotonous, for example, than pushing a wheelbarrow day after day, particularly, as is mostly the case, to an accompaniment of squeaking wooden axles?

Allowing for exceptions, but stated as a general proposition, Americans live well because their civilization is machine-made, and the Chinese live poorly because of the very fact that they do not enjoy the advantages of machinery. The very exercise of the inventive faculty and the planning required to make use of the machinery to the best advantage arouses a zest in life in the American people which the Chinese with their adherence to age-old methods entirely miss.

Machinery a Blessing, Not a Curse

The old theory that machinery is a curse and not a blessing to the workingman has long since been exploded. It has always to be remembered that still another machine is always required to make the other machine. If one reflects for a moment one will realize that any modern product, for example a motor car, which is itself a machine, was only capable of being produced by the assembling of thousands of other machines, and those machines each are the products of still other machines, and so on backwards, sometimes through a dozen units, until one reaches the raw material that eventually found its way into the finished product. The net result is increased production, a cheapened article and more extended use.

The Chinese, as a race, conservative as they are, have in recent years begun to use modern machinery on a scale that neither those living abroad, nor the average foreigner resident here in China, realizes. If one counts the smokestacks in China to-day one will need a good-sized volume to keep the figures. It is not only cotton and silk mills that are being established. These establishments require comparatively large amounts of capital and the installation of machinery has been merely the development on modern lines of old established industries. But the real indications of the trend from hand methods to machine methods in China is seen in thousands of smaller establishments. This is particularly true here in Shanghai. In every nook and corner one will find machinery of all types, some of the latest pattern and some which would be considered out-of-date in Western lands. But the point is that more machinery is being installed in hundreds of small shops almost daily.

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being constructed and repaired, complete installations for shipbuilding are being fabricated, and, on a small scale, most any job in the machinery line can be turned out here. New industries are being established right along, An American firm has just sold an electric lamp manufacturing installation to a local Chinese Company.

In fact, as regards the installation of machinery, the Chinese show a wideawakeness that is really surprising. Salesmen with experience in the United States state that they find more conservatism, or caution if you like to term it that, in many parts of America, than they do in Shanghai. Show by practical demonstration to any Chinese manufacturer, large or small, that the machine you offer him will earn money for him, and a sale is in nearly every case assured. Money among the smaller Chinese manufacturers is not always plentiful, but if the Chinese is once convinced that that particular machine is a money maker for him, none of his relatives or friends will have any rest until they lend him the wherewithal to buy that machine, or rather to pay the first installment on it, as in the sale of machinery in the Settlement, it is frequently the custom to allow credit.

The safest way to extend credit is that followed by several local dealers in machinery. Instead of an outright sale, the contract for the supply of the machinery is drawn up in the form of a lease, the installment payments being credited towards eventual purchase. This method protects the seller in case the buyer goes bankrupt, as the title to the machinery has not passed, as it would have had a customary contract of sale been entered into.

A great deal of the latest type automatic machinery has been installed in Shanghai and in some instances the results have justified the experiment. In a country where labor is as cheap as it is in China the point where it pays to install the latest type of machine is reached long before it is approached in a high-wage country like America. In China it will pay to run machinery night and day in many instances where it would not pay to do so in the United States. The explanation is that it is the capitalization and interest on the expensive machine and not the wages of the worker that constitute the important item in China. In America it is the other way about. There it is the pay of the skilled operator that is the important item.

The lines in which the very latest machinery are profitable in China are, with the present low-wage scale, still comparatively restricted. Some of the Chinese establishments that installed such up-to-date automatic machinery have done so to their regret. In many instances their interest would have been better served by a somewhat older type of machine. Indeed, there are many cases where good second-hand machinery will prove the most profitable investment for the manufacturer in China. But just as much acumen will have to be displayed by Chinese in such purchases as in buying the latest type. At any rate the fact is to be borne in mind that the day is long since past when China can be used as a dumping ground for old and worn-out machinery from other parts of the world.

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Japan's Struggling Labor Movement

BY WILLIAM A. NEISWANGER
(Reprinted From Current History Magazine N. Y.)

THE Japanese labor movement is a young movement. As such it has been subjected, as is usual with young labor movements, to governmental oppression. It has been, characteristically, very radical. It is slowly adapting, as would be expected, a program to its own peculiar problems and environment and is in a condition of indecision and change. At the same time the social and economic environment to which it is adjusting itself is also changing rapidly, making the development of the movement more rapid.

Because it has not adopted and retained for any period of time a single definite program, the Japanese labor movement cannot as yet be classified as violently radical, as is that of the Bolsheviki; neither can it be called legally radical with the British labor group; nor is it opportunistic with American labor. Thus far its program has varied from the impotency of Christian socialism for the first seven years of its career to syndicalism and communism for the next four years. In 1923, the eleventh year of its life, a slight shift to the right began. This culminated in the expulsion of the Communists from the General Federation of Labor in March, 1925, and the creation of a new political party, called the Workers' and Peasants' Party (*Rodo Nomin To*), at Osaka in March, 1926.

The problems of the 4,000,000 industrial workers of Japan constitute the most obvious part of the labor question of Japan, but not necessarily the most significant part of that problem. Seventy per cent. of the Japanese people are agriculturists, but half of these agriculturists own no land. This group of tenant farmers is handicapped by lack of close contact between farmers, so that it is more difficult to effect their organization than that of factory workers. However, they have awakened from their lethargy and organized the General Tenant Farmers' Union, and as an organized group they constitute one of the greatest problems of Japan. This organization took place in April, 1922.

Another group of importance in the Japanese labor problem is the social class of *Eta*, about 3,000,000 in number. They are largely descendants of aboriginal races inhabiting parts of Japan and were vanquished by the first Japanese and reduced to slavery. In 1871 the Emperor Meiji issued a proclamation emancipating the *Eta*, and instructions were issued urging all classes to live together as good neighbors. In spite of the proclamation and although these special class people are not racially distinguishable from other Japanese, they are discriminated against, outcast and mistreated to an extent greater than is the negro in American life. Persecution has caused the *Eta* to degenerate into malcontents or vagrants and make them a fertile soil for radical propaganda.

In 1922 delegates from the *Eta* group to the number of 2,500, mainly proletarian, met at Kioto and formed the *Suiheisha*, the Water Level or Leveling Up Society. Two years later the membership of the organization was estimated at 1,000,000. In a demonstration at their second annual meeting they appeared carrying a red flag on which was inscribed "a crown of thorns, symbolic of suffering."

Only two other nations in the world are more densely populated than Japan, namely, Belgium, England and Wales. The comparison becomes more significant when it is remembered that only about one-sixth of the total area of Japan is habitable, while the ratio is as high as 74 per cent. for Belgium and 73 per cent. for England and Wales. Per square mile of tillable area, it is clearly evident that Japan is more densely populated than any other nation. On the basis of total area, including both tillable and non-tillable land, Japan has about 439 persons per square mile. There are about 35.5 per square mile in the United States. The fact that 70 per cent. of the population are engaged in agriculture and that only 12 per cent. of the people live in cities of over 100,000 population shows that Japan has not yet solved her problem by industrialization as England has partially solved hers. The specific bearing of overpopulation upon the labor problem is that the resulting economic scarcity makes inequalities in the possession of wealth more noticeable and obnoxious to the "have-nots." When a condition of dissatisfaction arises in a modern nation it is usually attributed to the "interests" and "property," so that congestion resulting in a low standard of life is conducive to a spread of radical ideals.

Apart from this important element in the Japanese situation, which led the Tokio *Nichi-Nichi* to declare editorially

(Continued on page 182)

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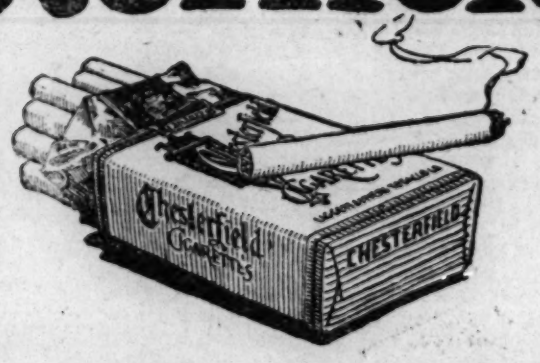

SUCH · POPULARITY · MUST · BE · DESERVED

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Japan's Labor Movement

(*Continued from page 180*)

that "universal poverty is a social disease inherent in Japan," there is another important factor—the highly emotional character of the Japanese people, which tends to make them extremists. "If liberals they are extremely liberal, if conservatives they are extremely conservative," says S. L. Gulick (*The Evolution of the Japanese*). The intense feeling aroused by such a question as universal manhood suffrage was seen, for example on Feb. 21, 1925, when, according to the *Japan Advertiser*, Tokio was virtually under martial law "with thousands of policemen and gendarmes guarding the street corners when the Universal Manhood Suffrage bill was introduced into a crowded and excited Diet after long consideration in the Privy Council. Demonstrations took place in all parts of the city and arrests were reported in many instances." This emotionalism clearly affects mass activities characteristic of labor disputes, for it enters into such questions as private property rights, freedom of speech and action, forms of government and similar problems essentially constituting part of the labor question.

First Unions in 1897

Feudalism was abolished in Japan in 1868 and the master-serf relationships gave way to employer-employe relationships. Labor thus became free and mobile, so that when the beginning of industrialism did come after the Sino-Japanese War (1894-95) and developed more importantly after the Russo-Japanese War (1904-5) there was an available supply of free labor. With the advent of industrialism labor unions of a modern type first made their appearance. In 1897 the first unions were organized in Tokio among printers and ironworkers, and the next year a union was formed of railroad engineers and firemen, which successfully conducted a strike. In 1900, however, the Government passed the following law, which is still on the statute books:

Police Regulations—Article 17

No violence shall be inflicted upon others, nor threat of violence made against others, nor the character of others defamed in public with the following enumerated objects in view, and no inducement nor instigation shall be offered to others with the objects in view expressed in Clause 2:

1. To make others join or prevent others from joining associations formed for the purpose of cooperation in regard to conditions and rewards of labor;

2. To make employers discharge employes or refuse applications for employment, or to make employes neglect their duties or refuse applications for employment in order to effect a lockout or strike;

3. To compel by force others to agree in regard to conditions of labor or rewards of labor, or to inflict violence upon others, or make threats of violence against others to compel them by force to agree in regard to conditions or rent of land for agricultural purposes.

Although this law may not actually make labor unions illegal, it does make their practical operations illegal, and it was used against the newly developing labor organizations, so that from 1900 to 1912 there were only ill-defined and sporadic attempts to form unions and nothing worthy the name "movement" eventuated. The attitude of the Government was illustrated by the severity of the punishments inflicted upon twenty-four of the Socialists and anarchists tried at the famous trial of 1900-10, when they were sentenced to death and twelve of them were actually hanged. In 1912, however, a group of bourgeois intellectuals, led by Bunji Suzuki, gained the consent and the support of the Government to establish a union for the industrial workers, called the *Yuaikai*. Dominated as this movement was by intellectual reformers, promoted by the Government and embracing Christian socialism, it did not gain fayor with the laborers. It was in spirit and in name a Workers' Friendly Society, and remained small, weak and relatively insignificant for seven years after its foundation.

The failure of the Japanese workers to develop an aggressive movement during this period may have been due partly to the hostile attitude of the Government, but much more to the fact that industrial conditions conducive to effective organization did not come into existence until the World War. So great was the industrial expansion of that period that it has been called the industrial revolution of Japan. The number of factories using motive power increased from 14,578 in 1914 to 26,947 in 1919, and then to the large figure of approximately 50,000 in 1921. The total horse power used in the factories increased 120 per cent. between 1914 and 1921. At the end of 1914 the total paid-up capitalization of all Japanese industrial companies was 833,560,000 yen, but it had trebled to 2,248,850,000 yen at the end ot 1919. This tremendous industrial development required workmen, and by the offer of what were considered high wages in Japan, workers were attracted to the factories in thousands. Using the number of workmen employed in 1909 as a base, the index number for workmen employed in 1914 was 98; in 1922, 211. Adaptations are always slowly made in periods of industrial revolution, and so in Japan working conditions were and are bad.

Wages are low. Over 60 per cent. of the million and a half employes of the textile mills in 1920 were women. These women received on an average about 45 cents a day. Less than 1 per cent. of these women are organized. The men who work in these mills are paid 85 cents a day. The average wage for common day labor in Japan is almost 95 cents a day. If bonuses be added and the advantage given employes in buying rice at wholesale be considered, the average should be slightly raised. Cost of living figures show that in 1914 12 per cent. of the workman's budget was allotted to the purchase of rice, but by 1919 50 per cent. of the budget expenditures was for that article of diet. While wages are low the hours of work are long, being practically unregulated by law, inasmuch as the Factory act of 1916 is concerned primarily with "protected workers," namely, women and children under 15 years of age. G. N. Barnes, M. P., delegate of the British Government to the Washington Labor Conference in 1919, stated:

In Japan the Factory act limits the working day to 13 hours per day, and in one industry, which is the largest in the country, 120 hours' overtime is allowed in addition to that 13-hour day. More-over, there is no weekly hoilday or Sunday holiday, excepting two each month, that is, on the first and fifteenth of the month there are holidays, but apart from that the 13 hours per day is actually worked all the time. The cotton industry works 11 hours a day. In other industries the working day nominally is about 10, but actually is about 12, because of the fact that overtime is quite common and continuous.

There were 86,490 women working in mines in 1923 and 38,913 of them worked inside of coal mines. Of the women who worked underground 11,064 were less than 20 years of age. An investigation by the Department of Agriculture and Commerce in April, 1919, into conditions in 534 spinning, weaving and dyeing factories revealed that the majority of the workers were women and that they were accommodated in the factory boarding houses. In some of the small factories workmen were made to sleep and live in part of the factory buildings or in attics destitute of sanitary devices. Factory conditions are improving, but the dormitories are still bad. In some cases ten to twenty people are compelled to lie down in a space of one tsubo—less than four square yards.

Federation in 1919

At the same time the cost of living had been increasing. The price of rice, the staple food, rose 400 per cent. from 1914 to 1919. These unsatisfactory conditions had several important results, among them being the rice riots, an increase in the number of strikes and a strengthening of the labor unions. The famous rice riots of 1918 took place at 140 centres in the empire and tended to stimulate the development of class consciousness among the people. 'In regard to strikes, 50 were recorded in 1914—more than for any other year since 1907. In 1917 the disputes rose to 399, and in 1919 there were 497 strikes, involving 63,000 workmen. Notwithstanding lack of strike funds, fewer than 40 per cent. of the strikes in 1918 resulted in a withdrawal or refusal of the workers' demands. In 1919 the percentage in which demands were withdrawn or refused was less than 30 per cent.

Until 1919 the various unions had been so much concerned with their own individual struggles for survival that they had devoted no energy to federation. With the rapid industrial expansion during the war came the importance of continuous operation of the plants, rising wages and a greater disposition on the part of employers to grant labor's requests, so the struggle for mere existence became less strenuous, and in 1919 three large groups, the Eastern Union, the Western Union and the Miners' Union, federated with one another and the *Yuaikai*, to form "Japan's Great Labor Federation of *Yuaikai*." A general organization took place, in which Bunji Suzuki was retained as President, but the other offices passed mainly into the hands of men imbued with the spirit of the class struggle, under whose new leadership a new program of a syndicalistic nature was adopted.

Another factor in strengthening the labor movement of Japan was the International Labor Conference at Washington in this same important year of 1919. In view of the adoption of a world-wide labor policy, and under the searching criticism which the Japanese Government received at that conference for its attitude toward labor, the Japanese workers were given permission to organize under the surveillance of the Government Labor Bureau, but even then the unions were given no definite legal status. This concession, however, seemed to stimulate the growth of unions, as the first Labor Year Book of Japan (1920) reported at the end of the year 1919 270,000 members of labor organizations.

Labor's advent as a significant element in Japanese life was reflected in the formation by the Government and business interests of the *Kyocho Kai*, or Harmonizing Society, in

(*Continued on page 184*)

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Japan's Labor Movement

(*Continued from page 182*)

January, 1919, with a capitalization of 6,000,000 yen, for the purpose of educating the workers and instilling in their minds the belief that the objects of capital and labor could and should be worked out harmoniously and by cooperative endeavor. Needless to say, the workers from the first regarded this organization with the greatest suspicion.

Labor Proclaims Class Struggle

In 1920 business depression brought unemployment and characteristic ills. The membership of the unions fell off and the movement was weakened, the membership today being about 100,000 less than that reported in 1919. The experience of the depression convinced the union leaders of the futility of attempting to solve their problems by trade union methods alone and that a fundamental change in the economic order was necessary. This feeling was reflected in the programs adopted at the 1921 and 1922 congresses of labor. They came out very definitely for the class struggle and in direct opposition to the capitalistic class, with a demand for the emancipation of labor. They condemned the International Labor Conference at Geneva as an organ of harmonization and cooperation with capital, rather than one of class conflict; condemned their own Government for disregarding organized labor in Japan when selecting the labor delegates to that conference; denounced police activities against labor; demanded the recognition of Russia; urged the development of industrial unionism at home, and showed their contempt for political action by refusing to continue their agitation for universal suffrage.

During the industrial depression the organizers of labor, finding their work relatively ineffective among the urban industrial workers, took up the task of organizing the great body of tenant farmers, who number one-half of the farming population, which in turn includes 70 per cent. of the total population of Japan. Of all those who own land only 3 per cent. have as much as eight acres and 70 per cent. of the land owners own only 2½ acres of land or less.

In the Fall of 1921 several thousand tenants joined in a movement against the landlords for a reduction of rents. The index number for the price of wheat had moved from 401 in 1919 to 277 in 1921. The tenants refused to harvest any crops until their demands were granted. The landlords were forced to make substantial concessions. The success of these tenants inspired others. Whereas in 1920 there had been only 408 disputes between landlords and tenants, before the end of 1921 the number had increased to 1,255, of which 500 remained unsettled at the end of the year. At a meeting at Kobe on April 9 and 10, 1922, the General Tenant Farmers' Union was organized and resolutions were adopted calling for the nationalization of land, the nationalization of medicine and the immediate recognition of the Russian Soviet Government. By the following year there were 370 branches and 1,340 unions of tenant farmers. During the same period the landowners organized 414 associations in order to deal better with the newly unionized tenants.

As the outcome of the private property issue is dependent upon the coalition of non-propertied interests against the propertied interests, the rapidly growing union of industrial workers and tenant farmers, forming as they do a very large percentage of the entire Japanese population, is deeply significant, especially as the Tenant Farmers' Union has organized politically.

In 1923 several things happened which affected both industrial and agricultural labor and caused the movement to swing to the right despite governmental suppression of communistic agitation.

The earthquake had the result of unifying the people with its equalizing effect and removed those differences which in the minds of many workmen were less exigent than the appeals for cooperative aid in rehabilitation. In accordance with the general feeling of impatience toward subversive organizations which prevailed after the catastrophe, the Government raided the homes and offices of many supposed Socialists, including those of several university professors. Approximately 100 persons were arrested. An important result of this action was that the Socialists changed their tactics and openly organized a Fabian Society of Japan and a Society for Political Research, both of which became active in the organization of a proletarian party, when it became evident that the Suffrage bill would be passed. This attempt on the part of the Socialists to bring their movement into the open and institutionalize it is in accord with modern constitutional procedure.

Among the measures adopted by the Government in 1923 that led to a diminution in the radical spirit of the Japanese labor movement was the change in the manner of selecting the delegate to the International Labor Conference, whereby some recognition was granted to the organized workers. The first election held under the new plan resulted in the election of Mr. Suzuki, who was also elected for the subsequent annual conference, The Labor Federation of Japan now

cooperates with the International Labor Office, which it had refused to do before on the ground that it was not radical enough.

First Steps Toward Labor Party

The Universal Suffrage' bill caused the most clearly marked change in the program of Japanese industrial labor. Before February, 1924, the organized workers favored direct economic action and opposed strenuously the idea of political action. When, however, it became evident that at last the Suffrage bill would become law the labor leaders were confronted with an actual problem which was no longer academic, for now they had the opportunity for political action, whether they wanted it or not.

The movement had been weakened in the hardship of the business depression, and this change in program offered new hope in a time of discouragement. At the conference held early in 1924 it was decided after much heated discussion to create a department in the Federation of Labor for political study with a view of establishing a proletarian political party. A report was submitted to the annual convention of the Federation at Kobe in March, 1925, recommending the creation of a Labor Party, sponsored by and rooted in the Federation. The plan was opposed by the communistic Kwanto Council of Labor Organizations, a district federation of twenty-six unions, subsidiary to the General Federation, and definite action on the report was postponed. This group also demanded the removal from office of the Central Executive Committee of the Federation on the ground that its members had lost touch with the labor situation and with what the workers were thinking. The opposition by the Kwanto group brought about a split between the General Federation of Labor, dominated by the Suzuki group, and the Kwanto group under the leadership of Yamakawa and Sakai, Japan's most prominent Communists. At a meeting of the Central Committee of the Federation on March 27, 1925, the Kwanto Council of Labor Organizations was ordered to dissolve. Having thus been expelled from the General Federation, the Communists organized their Kwanto district of twenty-six unions into an organization called the National Council of Trade Unions (*Rodo Hyogikai*). The Communists also joined the previously mentioned Society for Political Research in large numbers and were able to prevent the carrying out of a plan which the General Federation had previously made with the Society, for the creation of a Proletarian Party, organized on broad lines to include industrial workers, peasants and even members of the lower middle class.

In August, 1925, the General Tenant Farmers' Union, the organization of propertiless agriculturists, took the initiative in calling a meeting for the organization of a political party. The General Federation sent delegates, hoping to effect the organization, and the National Council, with its sympathetic Society for Social Research, sent delegates determined to prevent the organization. The meeting ended in a fiasco.

Other attempts were made to organize a political party, one of which in December, 1925, perfected and instituted a party organization which endured three hours. Then the police appeared, arrested the leaders and announced "that the Ministry of the Interior had decided to enforce the new Peace Preservation act, and under its regulations to prohibit the formation of a "Proletarian Party' or any of a similar nature." The Government explained its action on the grounds that the unpublished Programme of Principles was communistic, as were many of the persons who would doubtless join the party.

Undiscouraged, the Japanese Tenant Farmers' Union and the unions of industrial workers drew up principles for a Proletarian Party in general reformist terminology, "looking toward the emancipation of the working class by every legal effort." The organization meeting was held at Osaka in March, 1926, and the Workers and Peasants' Party (*Rodo Nomin To*), which resulted, still exists. About 200,000 voters were represented in the meeting.

There are numerous problems before the party. How long will the Government suffer the party to exist? Will President Motojiro Sugiyama be able to compete with the skilled statesmen of Japan? Will the laborers, with their small wages, be able to finance a campaign, the expenses of which are notoriously high? Will not Viscount Goto and the new liberal party which he is organizing attract the vote of the liberal element in Japan?

At present the most that can be said is, to quote a professor of economics in the Imperial University of Tokio, "a germ of an effective movement is present. It may grow."

There are factors which are retarding the swing toward the right. The economic depression, with its attendant evil of extensive unemployment; the undesirable working conditions and, most important, the governmental interference with the unions, are keeping radicalism alive.

(*Continued on page 186*)

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Government Opposition

Article 17 of the police regulations, already quoted, makes effective trade union activity unlawful and is deeply resented by the workers. The police, who are considered antagonistic by the workers, are able to find under this law, together with the "dangerous thoughts" regulations, reasons for making arrests on almost any grounds. In the three-year period, 1918-20. there were 1,286 arrests of strikers under Article 17, although it was applied in somewhat less than 10 per cent, of the strikes which took place. In a statement presented to the Washington conference, Uhei Masumoto, Japanese workers' delegate, said:

The important and significant fact is * * * that because of the existence of this law, and the popular interpretation of it, the people are intimidated and fear to organize into unions or to encourage strikes. * * * As long as Article 17 of the Police Regulations exists, the practical effects of which are to intimidate labor, there will be no benefit to labor in the simple theoretical recognition of the right of labor to organize.

The workers of Tokio on Feb. 11, 1925, held a demonstration against a new Peace Preservation bill, introduced into the Diet by the Government, which was even more objectionable than Article 17. The new bill provided seven years' imprisonment for agitation for the "overthrow of fundamental national principles or the form of government" and the "denunciation of the system of private property." The general terms of the bill, which was passed in a slightly modified form by the last session of the Diet, and used to prohibit the formation of the Proletarian Party in December, 1925, are feared not only by labor but also by the press. Of the police activity during the demonstration the *Japanese Advertiser* stated:

Every suspicious character that attempted to join the throng that started the parade was searched by the officers and any literature that he happened to carry was confiscated. * * * Socialists and radical workers known to the police among those who tried to attend were stopped and ordered to leave. * * * The speeches were lively and the police became busy as they proceeded. Speaker after speaker was stopped, while the crowd shouted and applauded loudly, objecting the while to the action of the officers. More than twenty speakers were thus forbidden to continue, on the grounds that the sentiment of radicalism tainted their remarks.

The trend of thought on labor problems in Japanese Government circles is indicated not only by the passage of the severe Peace Preservation act, but also by the passage of a bill providing for the compulsory arbitration of industrial disputes in certain industries invested with a public interest. Furthermore, it should be noted that the Diet refused to pass a bill which would have given trade unions a legal status. Despite the fact that the attitude of the Government has been changed but slightly and that the restrictions are certainly not fewer than formerly, Japanese labor has become more conservative. However, the new conservatism is a conservatism of action and methodology rather than of ultimate principles, as is shown by the latest statement from Mr. B. Suzuki, President of the conservative General Federation:

1. We laboring men are determined to promote our knowledge upon the strength of unity and upon the system of mutual support.
2. We laboring men are resolved to fight pressure and persecution directed at us by capitalists with indomitable courage and efficient tactics.
3. We laboring men are convinced that labor and capital are incompatible. We are determined to realize a new society upon the strength of labor unions, where liberty, freedom and equality will prevail among laboring men, who will be completely emancipated from the influence of capital.

The Japanese labor movement is still in a condition of change and formation. The growing organized strength of the proletarian groups, industrial workers, *eta*, and tenant farmers, and the programs which they are adopting are of deep significance. The political action of these groups, as they express their desires through their Workers and Peasants' Party, may be of great importance, not only to Japan but to the entire Pacific area.

The Philadelphia *Public Legder* News Service in the Far East has been discontinued, according to a notice in the *Editor and Publisher* recently which stated that offices in Peking, Tokyo, Shanghai and Manila were being closed. The *Public Ledger* service was established several years ago by Cyrus Curtis of the Curtis publications, soon after he purchased the *Ledger*, and about a year ago was expanded when Mr. Curtis purchased the New York *Evening Post*. For a considerable period the *Public Ledger* service in the Far East was operated in conjunction with the *Japan Advertiser* of Tokyo. D. C. Bess of Tokyo formerly Far Eastern manager of the service has joined the editorial staff of the *Japan Advertiser*.

News from South China

Beginning January first the Canton-Macao run steamers *Shing Chong*, *Heng Chong*, and others will grant a rebate of 10 per cent to all freight charges paid by Customs brokers who handle cargo and make Customs returns on behalf of their clients. The Customs Brokers Association boycotted these steamers and refused to pass cargo through the Customs for their clients on goods coming or going on them as a retaliation for the attempt of owners of these vessels to sidestep this question of rebate, during the Christmas holidays.

The war tax on railroad and steamship travel on Canton waters, 20 per cent. of cost of ticket, at first levied for a period of three months only, will be enforced for another term, as the Northern Expedition is not by any means over.

Unable to get any satisfaction from the postal authorities themselves who have practically lost control over their men, the Bureau of Reconstruction of the Canton Kuomintang Administration has written to the Postmen's Union direct with request to see that the delay in mail deliveries so much complained of may be looked into. It may be recalled that, according to a report from the authorities concerned, sometimes as many as 90 out of a force of less than 500 are absent from work in order to attend to union or other labour agitations.

The only serious anti-Christian outbreaks in Kwangtung during the Christmas holidays, aside from those in Swatow, were several attacks on Churches in Chungshan, the native district of the late Dr. Sun Yat-sen who, with his son before the advent of the Borodin Mission to South China, were also Christians. The Peasants Corps of Saae Arm, Chungshan, wrecked the furniture of a Church and injured some 15 Christians who thought that the anti-Christian demonstration of the day would be over and tried to hold their celebrations in the evening.

The Bishop of London, the Right Hon, and the Right Rev. A. F. Winnington Ingram, D. D., LL. D., K. C. V. O., was a visitor in Hongkong during the Christmas and the New Year Holidays. Among those who have entertained in his honour, besides the Governor of Hongkong and the Church Body, was a group of Chinese Church workers and leading Christians.

The Hongkong Compradore Association, an organization of Chinese connected with foreign hongs in Hongkong, will beginning next January, 1927, charge one per cent, instead of the usual onehalf per cent, commission for business going through their hands. The Chinese Piece Goods and other Guilds have raised objection to the new move of the compradores and there may be some weeks before the question of commission is settled. The compradores have claimed that in the last year or two they had lost more than $2,000,000 and on the risks they have to run, they are justified in demanding for a high commission.

The Canton Mechanics Union has opened a printing shop within its building, thus breaking the boycott against it by the Printers' Union, whose members have refused to do any work for the mechanics. Some time ago the printers and the mechanics had a newspaper controversy and the printers cut short the arguments of mechanics by refusing to print anything more from the mechanics. Even printers outside Canton have been induced not to do any printing work for the mechanics. It did not take long for the Mechanics Union to set up a printing plant of its own, however.

The Kwangtung Provincial Council of the Kuomintang in Canton has approved in principle of the recent Communists Party recommendation to order all landlords within

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the Province to reduce their farm rentals by 25 per cent in favour of the farmers who till on leased property.

To enable the Kuomintang propaganda bureau to do its work most effectively among visitors to Canton, all hotels have been instructed by the authorities to set aside a place to be used exclusively as a library and reading-room accessible at all times to agents of the party.

The Euro-American Returned Students Association of Canton, an organization of several hundred Chinese young men and women who have studied in the colleges and universities of Europe and America, will have their 15th annual reunion New Year Eve at the restaurant of The Sun Company on the Bund, when a dinner and dance following will be the main part of the entertainment. A number of Chinese college graduates residing in Hongkong are also expected at the Canton reunion.

Complying with the Police order to honour the New Year Day with a victory celebration of the ruling party in Canton, nearly 70 per cent. of the shops of the city which employ union labor joined in displaying the Red standard. For the first time in the Republic, it is said, January first this year has been accepted as a general holiday by the people under strict police direction. It may be of interest to recall that it was the late Dr. Sun Yat-sen, when Provisional President of the Republic, who proclaimed the following of the Western calendar. This was done at Nanking, January first, 1912.

The Canton police will entertain appeals from the landlords for assistance from the Police to advise workers occupying houses not their own to either pay reasonable rentals or surrender their holdings back to the proper owners. Since June, 1925, and before October 10, 1926, when there was an anti-British boycott in progress and when strikers returning from Hongkong they were welcomed to occupy any vacant building then found within Kuomintang jurisdiction, and hundreds of places have become camps of idle workers. Many landlords have begun to feel that the contribution of rent for one year and a-half is more than enough, and the new Canton Police Chief also thinks that the landlords are more than reasonable.

Employes of the Kwangtung Section of the Canton-Hankow Railroad will be given an increase of wages from 20 to 40 per cent., those whose wages not exceeding $30 a month to be given 40 per cent. increase; less than $45, 30 per cent.; and less than $150, 20 per cent. Until further notice, according to recent announcement the Canton-Samshui Railroad Management will come under the control of Loo Min, Managing-Director of the Chinese Section of the Canton-Kowloon Railroad. Proposals are being advanced by those interested in the completion of the Canton-Hankow Railroad to extend the Kwangtung Section from Shiukwan to Pingshek on the Hunan border, about 200 miles, with proceeds of a suggested bond issue of $20,000,000 to be secured by a surtax on salt in Hunan and other provinces to be benefited by the improvement. By a surtax of $3.60 a picul on some 2,400,000 piculs consumed in Hunan annually, it is estimated that some $7,000,000 to $8,000,000 may be raised every year.

The opening of the radio station at North Parade Ground was announced recently. Under favourable conditions its range extends to practically all territory now having official connections with the ruling party in Canton.

Lo Wen-kan, a former Hongkong resident who has studied in London, sometime a cabinet minister in Peking, is again to enter the Government in Peking as Minister of Justice, while Yeh Kung-cho, another Cantonese, is being mentioned for re-appointment to the portfolio of Communications.

General Yuan Tso-ming, Officer Commanding the Troops in Kweichow, is said to have revolted against General Tang Chi-yao of Yunnan, warlord of the two provinces, according to information of the Kuomintang Press. General Yuan is reported to have taken action against General Tang on December 25, the anniversary of the Yunnan movement against the monarchial movement of the late Yuan Shih-kai.

Hongkong military strength is to be re-inforced by the early arrival of the Second Suffolks regiment coming on board the S. S. *Achilles* which sailed from Gilbraltar on December 31, 1926.

The Hotel Savoy, managed by a Chinese, Leung Hing Kee, is a new addition to the establishments catering to Chinese and foreign residents or visitors at Hongkong. It is near the King Edward Hotel, another Chinese owned European Hotel in Hongkong.

The Hongkong Governor has received information from the Secretary of State for the Colonies that Mr. Neneth C. Krent has been appointed a vice-consul for the United States of America in Hongkong.

In the opinion of Dr. Winnington Ingram, the Bishop of London, who visited Hongkong during the last Christmas holidays in his Far Eastern tour, the Chinese Christians were most sincere among those by whom he had been touched in the receptions.

Canton, January 3, 1927.

Who's Who in China

Mr. Wang Yin-tai.
王陸泰

Mr. Wang Yin-Tai, Vice-Minister for Foreign Affairs, in the Peking Government was born in 1886, and is a native of Shao-hsing Province of Chekiang. After pursuing a course of classical education, he went to Japan in 1902 where he studied until 1907. He then went to Germany where he specialized in law and was graduated from Berlin University in 1912. While in Germany he was appointed in 1909 by the late Viceroy Tuan Fang of Chihli to investigate and report on the constitutional government of the German Empire and the system of local self-government in that country,

Mr. Wang returned to China in 1913 and, after serving in various legal capacities, was appointed in February, 1914, Counsellor of the Bureau of Legislation of the Cabinet Office which post he held until August 1920. He also served at different times on several Government commissions, such as the Commission for the Examination of Candidates for the Civil Service, the Commission for the Examination of Candidates for Diplomatic and Consular Appointments. Upon the declaration of war on the Central European Powers in 1917 he was appointed legal adviser to the Office of the Custodian of Enemy Property. In 1917 he was a member of the staff of the Special High Commissioner to Japan and was decorated by the Japanese Government with the Third Class Zuiho. In 1919 he was concurrently legal counsellor of the Northwestern Frontier Defence Office and accompanied the Special Envoy to Urga in Mongolia towards the end of that year. In 1920 he was made Director of the General Affairs Department and as such was for a time in charge of the Frontier Defence Office.

In January 1922 Mr. Wang was appointed Counsellor of the Civil Service Bureau in the Cabinet Office. In November he was reappointed to his former post as Counsellor in the Bureau of Legislation. Previous to this Marshal Chang Tso-lin had appointed him as his adviser and from 1922 to the end of 1925 he held various important posts in Manchuria. His present appointment as Vice-Minister for Foreign Affairs was on June, 2 1926. He is now concurrently one of the Delegates Plenipotentiary to the Special Conference on Chinese Customs Tariff, Chairman of the Commission for the Examination of Candidates for Diplomatic and Consular Appointments and Chairman of the Sino-Russian Conference Commission.

Mr. Wang is proficient in German, Japanese and English and is fairly conversant with the French language. He holds the following decorations: Second Class Chiaho, Third Class Wenhu, and Third Class Zuiho (Japanese).

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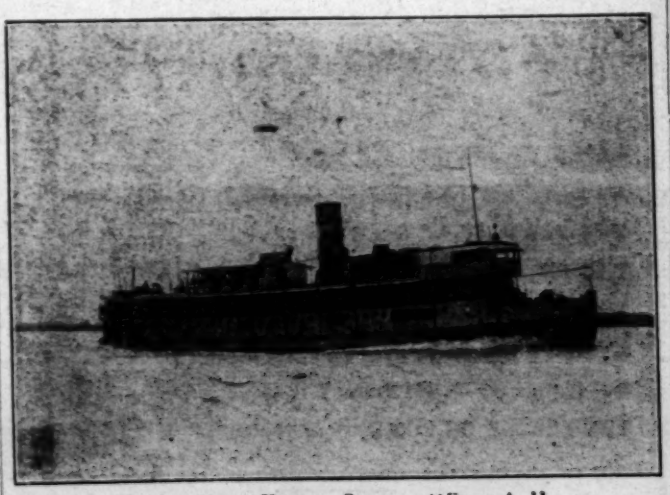

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Men and Events

Sir Francis Aglen, Inspector General of the Chinese Maritime Customs, Peking, is in Shanghai this week.

W. J. Gande who was operated on for appendicitis at the General Hospital, Shanghai, on Jan. 6, is recovering satisfactorily.

The Chinese General Chamber of Commerce of Shanghai now has 536 active members, according to announcement of the Chamber last week.

Hsu Yuan, Commissioner of Foreign Affairs at Shanghai has been appointed Judge of the Shanghai Court of Appeals, according to announcement last week.

R. D. Abraham delivered an address on the subject, "Motives of Chinese Art," before the Royal Asiatic Society on Thursday, Jan. 13. Sir Sidney Barton presided at the meeting.

According to a *Reuters* news dispatch from London on Jan. 5 the British Government has dispatched another destroyer flotilla to China consisting of eight vessels from the British Atlantic fleet.

At a meeting of the International Institute of China on Sunday, Jan. 9 there were addresses on the subjects, "Reasonable Principles of Buddhism" and "Reasonable Principles of Christianity."

The Palais Oriental Theater on Avenue Joffre, Shanghai, has been leased to the Peacock Motion Picture Company, according to announcement of Michel Ting, proprietor of the theater last week.

The merger of the Dollar Steamship Line and the Admiral-Oriental Line is announced elsewhere in this week's issue of *The Review*. According to the announcement the new name will be American Mail Line.

The Chinese firm, Kao Ching Tai of Hankow, was awarded judgment amounting to Tls. 7,315 against the Globe and Rutgers Fire Insurance Company of New York, in the U. S. Court for China on Thursday, Jan. 6.

A German citizen named Burmeister was seriously wounded by Chinese rioters in Hankow last week and is now confined to a Hankow hospital. He was stabbed in 35 places and according to last reports was not expected to live.

The Kuomintang headquarters in Shanghai which claims to represent the Kuomintang Party in Kiangsu, Chekiang, Anhwei and the Shanghai District sent cables on Jan. 11 to Ramsay MacDonald, Lloyd George and other leaders of the Liberal and Labor parties in England protesting against the alleged killing of Chinese in the recent Hankow riots.

Arthur L. Clark of the Navy Y. M. C. A., Shanghai has returned from a visit to Manila where he inspected the activities of the Navy Y. M. C. A. in that city. Mr. Clark was accompanied on the trip by Mrs. Clark and their son.

Dr. C. C. Wu, former Mayor of Canton, but now residing in Shanghai was the guest of honor and delivered an address before the weekly meeting of the Shanghai Rotary Club on Thursday, Jan. 6. Dr. Wu spoke on the subject of the Nationalist movement.

A bill has been introduced in the House of Representatives of the U. S. Congress authorizing the Treasury Department to purchase 14,589,000 ounces of silver at the rate of $1 an ounce, the purpose being to raise the price of American-produced silver, the prevailing price of which is now 55 cents, gold, in the open market.

G. C. Howard, American Trade Commissioner, Shanghai is departing for America on leave on Jan. 14, and will be accompanied by Mrs. Howard. A. Bland Calder, formerly U. S. Trade Commissioner in Japan, will take over Mr. Howard's duties at Shanghai while Miss A. Viola Smith, Assistant Trade Commissioner will function as Acting Registrar of China Trade Act Companies.

St. John's University, Shanghai, has adjourned for the Chinese New Year holidays, the action being taken earlier than usual owing to the expectation of trouble in the Shanghai district incidental to the war between Marshal Sun Chuan-fang and the Nationalist forces. Kwang Hua University, the large Chinese school located on Great Western Road Extension has also closed for the present.

Prof. H. P. Shastri delivered an address on international cooperation at the annual dinner and meeting of the Asiatic Association, Shanghai, on Jan. 6, in the course of which he stated that "Europe is the brain and Asia the heart of humanity," hence the necessity for cooperation. Real national greatness in China can only be obtained, according to Mr. Shastri, through international cooperation, mutual aid and universal fraternity.

According to report in the Chinese press last week Gen. Chang Chih-chiang, one of the important officers of the Kuominchun or 'Christian General's' Army, has deserted Feng Yu-hsiang and gone over to the Fengtien faction. Gen. Chang Chih-chiang is a Christian being known as the 'flaming

evangelist' and according to the report he finally became disgusted with the Bolshevik activities of Feng Yu-hsiang and deserted to the other side.

Siemmsen and Co., one of the largest German firms in China, announces that E. Hoeft has retired from the business. Mr. Hoeft in pre-war days was the manager of the firm's large branch at Tsingtao, and was among those who was taken prisoner bv the Japanese and kept in Japan until the end of the war. When he was released he took the initiative in re-establishing the firm in Shanghai, it having closed its doors when the Germans were deported during the war.

A German ship, the Etta Richmers, delivered a large consignment of arms to Gen. Chang Chung-chang, tupan of Shantung province, at Tsingtao on Jan. 6. After unloading the shipment, the Chinese discovered another large shipment of arms concealed in the hold of the vessel which apparently were intended for delivery to the Chinese Southern forces at Foochow. Chang Chung-chang's agents at Tsingtao, according to the report, immediately seized the other shipment.

The enrollment of students in the College of Agriculture and Forestry of Nanking University for the present term is 127 an increase of 17 over the fall term of 1925. In addition to the regular enrollment there are 40 students enrolled in the special 'short' course and 28 in the rural normal school, making a total enrollment for the year of 201. T. H. Shen a graduate in agriculture of Cornell University, has been appointed a member of the faculty of the College beginning this fall.

Beginning with Jan. 1, the branch of the International Banking Corporation at Shanghai and elsewhere in China, became known as the National City Bank of New York, the combination of the two financial institutions having been effected some time previously. The stock in the International Banking Corporation has been owned by the National City Bank of New York since 1915 but the institution has been operated as a separate institution in the Far East. The capital, surplus and undivided profits of the National City Bank of New York is approximately G. $140,000,000, the largest of any bank in the world.

A Chinese Ratepayers Association composed of Chinese taxpayers in the French Concession is now in process of organization. The plan of organization is to be similar to the Chinese Ratepayers Association in the Shanghai International Settlement, according to the report of the organization meeting.

Thirty-five mechanics from Soviet Russia who spent some six months in the United States for the purpose of studying mass production in the Ford factories in Detroit, have returned to Russia. According to M. Boris Starchenko, the leader of the group, their stay in America was not an entirely happy one account of the clodness with which they received by American labor organizations. In addition to spending considerable time in the Ford factories the Soviet mechanics also spent considerable time in the works of the International Harvester Company at Chicago.

Chinese Boy Wins G. $750 Prize

This Chinese Boy, who was born on a plantation in Hawaii, recently won a prize of G. $750 offered by the American Legion for the best essay on the subject, "The Duties of an American citizen." He was one of 50,000 contestants, the competition being open to all American boys within certain age limits.

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Developments in the China Situation for the Past Week

Marshal Chang Tso-ling and the Northern military factions apparently have finally come to an agreement on the question of forming a government in Peking and conducting the war against the South. According to a *United Press* report from Peking on Jan. 8, Gen. Yang Yu-ting's peace program apparently has been accepted and it has been decided to allow Marshal Wu Pei-fu to attend to the situation in Honan province and Marshal Sun Chuan-fang to look after the situation in Kiangsu and Chekiang. The Fengtien faction, in consequence will attempt to stabilize the Peking Government and attend to the matter of raising funds for the campaign. As a result of this decision Dr. V. K. Wellington Koo will continue to function as Acting Premier and Minister of Foreign Affairs and Pan Fu will remain as Minister of Finance. The remainder of the Cabinet is still uncertain, one of the interesting rumors being to the effect that Tsao Yu-lin and Lu Tsung-yu, two Anfuites may be brought back into official life. For those familiar with events in China in 1918-1919 it will be remembered that Tsao Yu-lin was Minister of Communications and Lu Tsung-yu, Minister to Japan when the Anfu Clique was in power and it was largely due to the activities of these two gentlemen that China borrowed some $350,000,000 from Japanese bankers for the announced purpose of 'preparing China for entrance into the European War' but which money, now known as the 'Nishihara Loans' really was advanced for the purpose of keeping the Northern militarists quiet over the Japanese Twenty-One Demands of 1915 and for the further purpose of establishing Japanese military and economic control over China. As a result of the uproar which swept over China when these facts became known, both Tsao and Lu were forced out of public life and have suffered serious loss of 'face' since that time, being popularly known as 'Pro-Japanese traitors.'

(Courtesy Shun-Pao)

Gen. Yang Yu-ting

Not So Easy For Southerners Now

If these Peking reports are accurate, it is now possible that the Southern or Nationalist forces may not find their progress northward so simple as it has been in the past. It is true that the Southerners have won some important military victories and also true that their propaganda has more or less swept the country off its feet, but on the other hand it is also accurate to say that the Southerners have had an advantage due to the disunity which has existed in the North. Owing to the fact that the Northern militarists were in the condition of a three-ring circus with no coordination of activities, the clever Cantonese have been able to play one faction against another to their own benefit, but now the situation is different, providing of course, the reports are accurate and the Northerners are really together. Heretofore Chang Tso-ling wanted to run the whole show and to ride 'rough-shod' over his allies of the Chihli Party, otherwise Wu Pei-fu and Sun Chuan-fang. But finally when Marshal Chang Tso-ling came to Peking and attempted to put it over, he ran into a snag in his own party. Two of the most important men in the Fengtien party, Yang Yu-ting, chief-of-staff and Cheng Chien, former civil-governor of Kiangsu resigned. Thus, with the 'brains' of the party eliminated Chang Tso-ling and his fellow militarists found themselves practically helpless. Now, if Chang has really come to his senses, we may see some action in the North and possibly before Spring a decisive battle between the Northern and Southern forces which may determine the destiny of the country for some time to come.

The Question of Grabbing the Customs

The ghost in the closet of both the Northern and Southern factions in the present struggle for supremacy, is lack of money for the purpose of purchasing arms and munitions and the furnishing of equipment for the armies. The Southerners have undoubtedly borrowed considerable sums from Soviet Russia and have taxed Kwangtung province to death in order to raise funds for their Northern expedition, while Chang Tso-ling has practically bankrupted Manchuria through an over-issue of 'Fengpiao' or paper currency, the latest rate for same being $650 paper for $100 silver. And in addition to Marshal Chang's mad search for war funds, Wu Pei-fu, Sun Chuan-fang and all of the rest of them have bled their districts for all of the cash available for the war chests. Chang Chung-chang, Fengtien tupan of Shantung has probably been the most ruthless of all in his drive for funds, having not only frightened most of the wealthy merchants out of his district, but has also placed such taxes upon the movement of freight on the Shantung Railway that it has become cheaper for the Chinese merchants to boycott the railway and go back to the old system of moving freight by cart and wheelbarrow. Marshal Sun Chung-fang has had easier sailing financially in Kiangsu province because of the available revenues from opium and salt.

The Customs Surtaxes

At this point emerges the question of the Customs surtaxes which were promised at the Washington Conference, but which the Powers, due to differences among themselves and general cussedness all around, have never granted despite the fact that five years have now elapsed since the Washington Conference adjourned. Sometime ago the Cantonese decided to take the 'bull by the horns' and assess the Customs surtaxes without regard to the Customs Administration which is British controlled. No sooner thought of than done! The Cantonese immediately began collecting the surtaxes amounting to 2½ percent on general products and 5 percent on luxuries at Canton without regard for the protests of the Powers or the Customs Administratian. Gen. Chang Chung-chang then did the same thing in Shantuug province. Seeing the whole Customs Administration breaking down, the British suddenly realized that there was something to this 'Nationalist, movement in China and attempted to preserve the integrity of the Customs by *granting* the surtaxes without further ado. The situation is still in a nebulous state, but as it stands today the Cantonese or Nationalists are collecting the surtaxes in all territories under their control and pocketing the receipts while Gen. Chang Chung-chang is doing the same thing in Shantung Province.

Chang and Sun and the Surtaxes

Marshal Sun Chuan-fang in Kiangsu and Chekiang and Chang Tso-ling in Manchuria and Chihli provinces have had a more difficult time in connection with their desires to assess the Customs surtaxes for each is more or less in a position where they do not wish to antagonize the foreigners. By taking over the surtaxes in Chihli and Manchuria Chang would antagonize his good friends the Japanese, while Sun Chuan-fang is embarassed at Shanghai for similar reasons, Sun's friends being the British. Recent reports from Peking are to the effect that the Peking Government may finally decide to accept the surtaxes through the Maritime Customs Administration, rather than taking them independently as the Cantonese and Chang Chung-chang have done. The British Note recommended that the surtaxes be collected by the Customs Administration and then handed out to the faction which happened to be in power at the various ports. At the present, Sir Francis Aglen, Inspector General of Customs is in Shanghai trying to arrive at an understanding with the banks and with Sun Chuan-fang over the question of the surtaxes, but from the news coming out of Peking Chang Tso-ling and his crowd are getting mighty anxious and may decide to take direct action similar to Canton.

The Hankow Incidents

The events leading to the seizure of the British Concession in Hankow are covered in the editorial columns of this issue of *The Review* so that it is not necessary in connection with this survey of the political situation to do more than reprint the demands which have been made by the Representatives of Laborers, Farmers, Merchants, Students and Soldiers at Hankow:

Article One

(1) To present eight points to the British Consul-General with an ultimatum that they be replied to by him within seventy-two hours. If not, the British Concession will be blockaded and a general strike will be declared in all British firms in Hankow.

Eight Points Of First Article

(a) Protest by the Nationalist Government to the British Consul-General.

(*Continued on page VI*)

From the Chinese Press

January 5-6—Owing to fear of provoking further incidents, British authorities at Hankow withdraw marines and appeal to Nationalist Government for protection; Chinese mobs invade British Concession remove barricades and take over control Customs House and Municipal Building and jail; many British shops forced to close and many Britons forced to flee to adjoining Japanese and French Concessions; British authorities order evacuation of British women and children from Hankow—Chang Tso-ling paper currency, the 'Fengpiao' again slumps, the new rate being $600 paper to $100 silver—Mukden report claims that 30,000 troops under Gen. Chin Yun-ao in Honan were disarmed in the area between Chengchow and Shinyang and incorporated into the armies of Generals Tien Wei-chin and Wang Wei-wei—Japanese still undecided in respect to the British proposal on the question of the Customs surtaxes—Fengtien Party also undecided regarding question of surtaxes, fearing Japanese opposition to enforcement in Northern ports—Seventh Revolutionary Army of Nationalist Government takes over control of British Concession at Hankow while meeting of farmers, laborers, merchants and students in Chamber of Commerce building present eight demands including disarming of British forces, punishment of those alleged to have killed Chinese, Concession be returned to Chinese control, British gunboats be withdrawn from Hankow and British authorities be given 12 hours to comply—Chinese agitators threaten general strike in Hankow in case demands not immediately complied with—Hitch occurs in final negotiations of strike in factories of British Cigarette Company at Hankow—New motor road in Shantung to connect Tsingtao and Shahotsung, some 300 li in length, being projected, the total capital being $100,000 of which $10,000 is to be contributed by the tupan, Chang Chung-chang—Preliminary fighting between Nationalists and Allied troops continues in Chekiang in the vicinity of Fuyang near Hangchow—Chang Tso-ling, unable solve Cabinet muddle, finally decides to permit Wellington Koo to carry on as acting Premier until Chinese New Year on February 2—Peking Cabinet unable announce decision respecting enforcement Customs surtaxes owing fear Fengtien faction that Japanese may oppose scheme; Gen. Yang Yu-ting and Chao Hsin-pai interview Japanese Minister on question—Gen. Chang Chung-chang, tupan of Shantung notifies Ministry of Foreign Affairs in Peking that it is necessary that the Peking Government immediately issues permission for the American Federal Radio Corporation to construct a wireless station near Pukow, Pengpu or Hsuchowfu, in Northern Kiangsu province.

January 6.—British Concession, Hankow now protected by one regiment of Chinese troops under Col. Chen Chuan who has established his headquarters in the British police station where he is directing activities in accordance with the instructions of the Ministry of Foreign Affairs of the Nationalist Government—Eugene Chen, Minister of Foreign Affairs at Hankow has sent a Note to the British Consul General demanding that the British gunboats carrying marines who fired on the Hankow Chinese crowds must not be allowed to leave port until there has been a settlement of the present trouble—Gen. Chang Chung-chang, tupan of Shantung, accompanied by Generals Sze Chin-yung and Li Yung-tsen depart from Lsinan for Peking to consult with Chang Tso-ling; Gen. Chang Chung-chang appoints Gen. Ma Chi as commander of 14th Allied army and Gen. Yeh Kai-hsin as vice-commander and grants them large supplies of munitions for use against the Southerners at Shanghai—Mukden party asks Wellington Koo to issue a mandate enforcing the Customs surtaxes, but Peking Cabinet still hesitates owing to fear of Japanese opposition; Mukden party expects to realize annual revenue of $26,000,000 from Customs surtax—Sun Chuan-fang, tupan of Kiangsu and Chekiang contemplating enforcement of Customs surtax at Shanghai—Factories of British-American Tobacco Company resume work in Hankow-Peking newspapers send delegation to local military and demand that the commander Gen. Chen Hsin-ya cease interfering with the papers—All Northern Allied troops retreat from Shensi and Kuomintang troops enter western Honan—Nationalist forces starts organization of administration in Ningpo, Chekiang province, the organization being formed by Chu Fu-chen and Chen Chi-tsai of the Kuomintang political committee in Shanghai—Three big consignments of arms from Germany scheduled to arrive in Shanghai shortly for Sun Chuan-fang forces.

January 7-8—Eugene Chen, Minister of Foreign Affairs, Nationalist Government, Hankow notifies British Consul General, H. Goffe of Chinese decision take over British Concession and issues proclamation that in view of inability of British to preserve order in Settlement that it had become necessary for Chinese to take over control and appoint a Committee to administer the functions of the Settlement—Serious disturbance takes place in British Police Station resulting in several persons being wounded when Chinese take control of building in Hankow—Anti-British massmeeting in Hankow attended by 600,000 persons passes resolutions demanding withdrawal British naval craft from Yangtsze, punishment of Marines for firing on Chinese, that British Concession be taken over and policed and that the whole world be informed of the "outlawry" of the British—Fighting breaks out in Honan province between forces of Wu Pei-fu and Gen. Chin Yun-ao, the latter being formerly a lieutenant of Wu but now supposed to be in alliance with the Kuomintang—Marshals Wu Pei-fu and Tsao Kun are still at Chen-chow, Honan, but reported they will shortly go to Hsinyang to command troops—Japanese reports from Peking state that Peking Government shortly will assess Customs surtaxes, making the collections through the Customs, instead of independently of the Customs as is the practice with the Southern Government at Hankow—Japanese remain non-committal on question of Customs surtaxes—Although Chinese still controlling Hankow British Concession, situation continues disturbed with residents unable to leave premises-About 300 British women and children and 50 American women and children leave Hankow for Shanghai—Serious situation continues at Wuhu, Anhwei province owing to lootings following desertion of Gen. Chen Tiao-yuan, tupan of Anhwei—Serious labor disturbances take place in Fengtien arsenal and military clothing factory at Mukden—British Consul General, Hankow, H. Goffe, ceases to fly British flag over building and remains practically a prisoner in the Consulate which is picketed by Southern troops—Eugene Chen issues proclamation stating that Nationalist forces will protect foreign residents and urging them to resume their duties—All British women

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SHANGHAI MUNICIPAL COUNCIL.

PROCLAMATION.

In view of recent occurrences in other ports the Council deems it expedient to make the following public statement for the information of all concerned.

(1) The Council is not concerned with and takes no official interest in party politics.

(2) For this reason the Council has prohibited political meetings, demonstrations, speeches or political propaganda of any description within the Settlement or upon municipal roads.

(3) In the interests of peace and order the Council will continue to cooperate as heretofore with whatever Chinese administration controls the territory adjoining the boundaries of its own jurisdiction.

(4) The Council will direct all its energies and resources towards maintaining order and ensuring the safety of life and property within the area under its control, and to this end has endeavoured to make all necessary protective arrangements.

(5) The Council will rigorously suppress all forms of violence and disorder and to accomplish this purpose will not hesitate to use all means at its disposal.

(6) Finally, the Council warns all persons against the activities of professional agitators who, taking advantage of the disturbed conditions in this country, are preaching doctrines of force and class hatred at a time when toleration and moderation are more than ever necessary.

By order,
S. M. Edwards,
Secretary.

Council Chamber,
Shanghai, January 10, 1927.

and children, numbering about 180 evacuated from Kiukiang, but situation somewhat improved owing to better control exercised by Chinese forces—Mukden report states that Karakhan, Soviet Ambassador, is on way to Hankow to grant recognition to Nationalist Government—Japanese *Toho* Agency report from Peking states that Chang Tao-ling will shortly return to Mukden and that Wellington Koo will continue to function as Acting Premier, owing to impossibility of Mukden party to reorganize Cabinet—Japanese report also states that Mukden has offered to make a compromise with the Nationalist Government, providing the Nationalists will sever their relations with the Soviet.

January 8.—Nationalist Government at Hankow appoints provisional committee to govern British Concession representing foreign, finance and communications departments of Kuomintang and Revolutionary Government and issues statement of intentions to protect foreign lives and properties; Revolutionary flag hoisted over Municipal Buildings and station battalion of Revolutionary troops in Concession—Mukden Government sends auditors to examine books of Mukden arsenal, military clothing factory, provision department and trench mortar factory, following suspension of payment and labor disturbances—Mukden paper currency drops to $652 paper for $100 silver—Chinese delegates to Peking Tarif Conference hold meeting and decide to assess surtaxes on February 1, but decide to withold official announcement for few days; will probably decide to make collections through Maritime Customs—British Legation Peking dispatches Secretaries O'Malley and Teichman, to Hankow to investigate situation—British Concession at Kiukiang completely occupied by Chinese troops and rioters forcing complete evacuation of Britons—Japanese remain in Kiukiang but are prepared to leave immediately—Nationalist Government, according to Japanese *Toho* reports, will postpone conference of Central Executive Committee until March 1; Southern Government announces plans for completing the Hankow-Canton Railway within three years, the expense to be defrayed from the salt revenue in Hunan and Kuangtung provinces—Movement started in Peking to take over foreign concessions at Tientsin—Peking Government planning appointment of Tsao Ju-lin and Lu Tsung-yu to Cabinet for purpose of starting negotiations for recovery of Tientsin concessions, the scheme offering opportunities for Lu and Tsao to recover their 'faces' which they lost on account of negotiating the Nishihara Loans from Japan several years ago—Chang Tso-ling sends circular telegram announcing decision to continue the Wellington Koo Cabinet, in consequence of which Koo asks present Cabinet members to carry on—Reported that Yang Yu-ting's peace proposal has won out in Peking, in accordance with which Wu Pei-fu will remain in Honan, Sun Chuan-fang in the Lower Yangtsze and Fengtien will devote itself to maintaining peace in Chihli and raising funds for the war against the South—Situation seriously disturbed in Szechuen province despite the alliance of Generals Liu Hsiang, Liu Yu-kiu, Liu Wen-hui and Lai Hsing-hui with the South—*Kuo Wen* reports state that Chin-ao, is reported to have retired, following his clash with Wu Pei-fu, to the Chikungshan Mountains and may go to Hankow to join the Southerners—Nanchang stages great celebration in honor of Southern leaders, Chiang Kai-shek, Tang Yien-kai and Chang Chin-kiang.

January 9.—Chinese troops and pickets withdrawn from Hankow British Concession while order maintained by Chinese police acting under orders Nationalist Government

(*Continued on page VI*)

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New Books of Interest in the Far East

Sons, Sons, Sons

CHINA: LAND OF FAMINE. By Walter H. Mallory. New York: American Geographical Society.

Reviewed by HENRY KITTREDGE NORTON in the N.. Y. HeraldTribune

Mr. MALLORY is the secretary of the China International Famine Relief Commission. His position, together with the fact that his work is published by the American Geographical Society, might lead to the inference that this volume is a compilation of statistics and a record of gruesome catastrophes. It is much more than that. While the element of gruesomeness cannot be wholly eliminated from a discussion of famine, Mr. Mallory is too perspicacious an observer and too much of a philosopher to make that the main feature of his book.

In fact, he comes very close to the fundamental cause of the great part of China's troubles. Nor does he hesitate to carry the discussion from the economic into the social and political fields.

The root cause is the reckless overproduction of human lives. The population far exceeds the capacity of the land to support it. Until this condition is removed there is little hope of permanently bettering the economic or political standards of China. The establishment of a stable government (assuming that this is possible under existing conditions), the building of railways, the control of rivers to prevent floods, the industrialization of the country, the improvement of methods of distribution and the advancement of sanitation, all would have beneficial effects. But these would be temporary so long as the urge to unlimited procreation remains the mainspring of Chinese life.

The natural proclivity is enhanced in the Chinese by a factor which does not exist in the civilization of the West. This factor is ancestor-worship, a cult which demands a surviving male descendant in every generation. This would have no serious effect upon the country if the requirement were satisfied upon the arrival of the first boy baby. But, despite their lack of acquaintance with statistics, the Chinese have learned through long and bitter experience that the chance of survival to maturity of any infant is between one in five and one in ten. In order to be sure of leaving a son to carry on the family worship it is therefore necessary to have ten sons. In fact, it is just as well to set no limit and have as many as possible! Daughters, of course, do not count, but they come as often as sons and the household fills to overflowing with the mutlitudes of the oncoming generation.

Says Mr. Mallory: "If a pair of rabbits are shut in an enclosure which has a limited area of good grass they will be comfortably provided for, but their numerous progeny will have very hard scratching unless some altruistic person throws in fodder from outside." And if that progeny becomes sufficiently numerous there are going to be severe struggles for the all too small supply of grass. It is not difficult to imagine rabbit militarists organizing a flying wedge of bellicose rabbits to raid the grassy plots of others and to deal death and destruction to the end that they themselves may secure enough food to sustain life.

That closely parallels the situation which exists in China. It is of little avail to talk about democracy, economic reconstruction and education so long as 10 per cent of the population is living below the line of minimum nourishment and the great majority of the rest are devoting every ounce of vitality to keep above it.

Mr. Mallory expresses an idea which is frequently in the minds of those who have studied China at first hand. "There are some optimistic persons, scientists included," he says, "who do not view the rapid increase in the world's population with apprehension. The writer would suggest for such persons a few years' residence in interior China. Here one is brought face to face with the dire conditions that inevitably follow when the number of inhabitants is greater than the productivity of the land they occupy will support." And he has the courage to pursue his conviction to its logical conclusion: "The writer views the problem with such concern that he would even propose as a department of the work of every medical institution (in China) the teaching of methods of contraception. In this way the birth date might be lowered at the same time with the death rate."

Students of China will welcome this scholarly treatment of a factor which has been known to be of utmost importance but which heretofore has been somewhat intangible. They will wish there were more statistics in the volume, but statistics are still rare birds in China, and until they are more plentiful we shall have to be content with the estimates of such trained observers as Mr. Mallory. This very fact will make the book more palatable to the general reader, who will find here an opportunity to get back of the smoke screen of Chinese Tuchuns and learn something of the underlying causes of China's troubles.

Digging Bones With a Shotgun.

ON THE TRAIL OF ANCIENT MAN. By Roy Chapman Andrews. G. P. Putnam's Sons. New York.

It is a practice of scientific explorers to assume that animal life must necessarily have sprung from some particular spot on the earth's surface. We do not subscribe to that theory; it seems to us that if life could be created spontaneously in any one place it could under similar conditions be created spontaneously in any other place. We have no private information on the subject but we are willing to wager that the rocks underlying New York City are just as much a record of ancient man as the sands of Mongolia. But to dig in New York would not be half so romantic as to dig in Mongolia.

Mr Andrews says, "Asia is the mother of the continents." He has yet to produce evidence that Asia is any more the mother of the continents than Europe, or South America or Africa is. We have always been interested in Mr Andrews' expeditions into Mongolia but we never looked upon them as anything more than junkets, well advertised. His discovery of acouple of dozen dinosaur eggs never greatly excited us; personally we feel that a petrified dinosaur egg is of less worth than a baked potato.

Mr Andrews' book is a fragmentary and incomplete record of expeditions into the Gobi desert in 1922, 1923 and 1925 under the auspieces of the American Museum of Natural History in cooperation with "Asia Magazine." The object of the expeditions was to discover where man came from. So far as the book is concerned the problem is as much of a mystery as ever. The publishers' summary of the book is;

Mr Andrews describes the vast mine of Titanothere fossils; the giant rhinoceros of prehistoric Asia at Iren Dabasu; the basin circled with flaming red cliffs where the

(*Continued on page VI*)

TRADE MARK
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SCOTT'S EMULSION

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Latest New York Stock Exchange Quotations

Supplied by J. E. SWAN & CO.

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Closing Rates—January 12

Market Closed: Steady Business Done 1,400,000

January 12, 1927 Average 1925

STOCK	LATEST	HIGH	LOW
American Telephone & Tel. Co.	153¼	145	130⅝
American Tobacco (Class B)	—	119½	84½
Anaconda Copper	48¼	53¼	35¼
Baldwin Locomotive	152	146	107
Bethlehem Steel (Ord)	47½	53½	37
General Motors (Common)	152⅜	149¾	64⅝
Liggett & Meyers (Class B)	100¼	89⅞	55½
Pennsylvania Railroad	57⅜	55⅜	42½
Tobacco Products	109	101¾	70
Tobacco Products (Class A)	114¼	110⅜	93⅛
United States Rubber Co.	61⅛	97¼	33½
Du Pont de Nemours (Common)	174½	271¼	134¼
Packard Motor Car Co.	35⅞	48½	15
British—American Tobacco (Common)	23¾	28½	24¼
Union Pacific R R	161¾	153¼	133¼
U. S. Steel	158⅜	139¼	112⅜
Anglo American Oil (Voting Shares)	20⅜	26⅜	17⅛
British American Oil	81	47½	38
Phillips Petroleum	56½	47⅛	36¼
Imperial Oil	38¾	134¾	27¼
International Petroleum	32⅛	35⅜	22⅛
Continental Oil	22¼	31⅛	21⅞
Standard Oil of Calif	58¼	67¼	51½
" " Indiana	69¼	70¾	59½
" " New Jersey	38	47½	38⅜
" " New York	32½	48⅜	40

We are not responsible for cable mutilations
Telephone orders accepted—subject to confirmation.

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 30th.	Sale Price Jan. 6th.	Approx. Yield to Maturity Jan. 6th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	105	105⅛	7.55
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	99	100	7.50
Republic of Chile S. F. Loan	7	Nov. 1, 1942	100⅜	100½	7.00
Argentine Government Ser. "A".....	6	Sept. 1, 1957	98½	98¼	6.10
German Governments S. F. Loan.....	7	Oct. 15, 1949	106⅞	107	6.40
Kingdom of Norway S. F. Loan.....	6	Aug. 15, 1943	101⅞	101¾	5.85
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	101	101⅛	6.85
Can. Pac. R. R. Co. Debenture Stock.....	4	Perpetual	—	85½	4.69
Belgian Government S. F. Loan.....	6	Jan. 1, 1955	92⅜	94	6.45
Andes Copper Mining Co. Debentures.....	7	Jan. 1, 1943	108½	108	6.20
German General Electric Co. S.F. Loan....	7	Jan. 15, 1940	104	104	6.60
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	101⅛	101⅜	6.85
Cuban Northern R. R. Co. 1st Mtge. Loan....	6	July 1, 1966	100	100	6.00
Dodge Brothers Inc. Debentures	6	May 1, 1940	95¼	95⅞	6.50
Republic of Haiti.....	6	Oct. 1, 1952	99⅜	99½	6.05
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105	105	7.00
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	92⅞	93⅜	7.60

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, Jan. 12, 1927

Exchange:—The price of Bar Silver in London has improved during the past week to 25⅛d. ready and 25 5/16d. forward, these quotations are respectively 1/16d. and ⅛d. above those ruling this day last week. The official T/T rate on London has during the same period, advanced from 2/4 3/4d. to 2/5⅛d.

There is a premium of 1/16d. offering for cash money in the exchange market, a slight shortage being apparent in certain quarters for the time being, this coming at a time of the year when Banks are naturally inclined to conserve their funds has necessitated demands for cash being paid for heavily.

The advance in exchange rates during the last few days would appear to out of proportion to the volume of business passing; with the present disturbed state of the country, business in regard to imports and exports is still negligible.

The exchange market closes quite steady, with sellers of T/T as follows:—Sterling 2/6d., G. $ 60 5/8, Yen 80½ all cash.

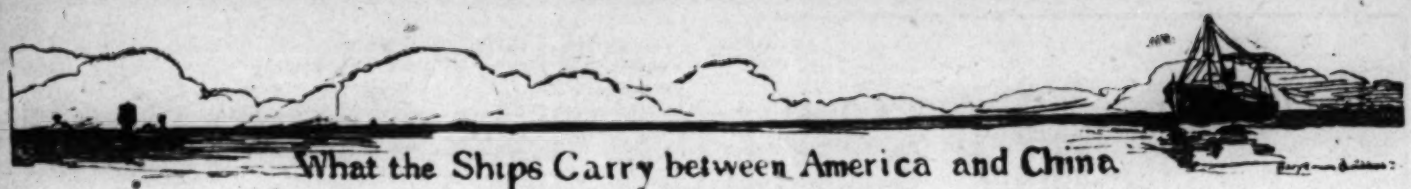
Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 68,858,000 a decrease of Tls. 1,637,000
Chinese and Mexican Dollars.....$ 72,380,000 an increase of $ 50,000
Estimated value Tls.120 971,000 as against Tls.101,875,000 held at this time last year.

	Average rates for Dec.	Thursday Jan. 6	Friday Jan. 7	Saturday Jan. 8	Mon. Jan. 10	Tues. Jan. 11	Wednesday Jan. 12
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/4.790	2/4⅜	2/5	2/5	2/5	2/5⅛	2/5⅛
D/Dfts ,,	—	2/4 13/16	2/5 1/16	2/5 1/16	2/5 1/16	2/5 1/16	2/5 1/16
4 m/s ,,	—	2/5	2/5⅛	2/5⅛	2/5⅛	2/5⅛	2/5⅜
T/T India	160 980	159	160½	160½	160½	162½	163½
T/T France	1,479.200	1470	1485	1485	1480	1495	1500
T/T N. Y.	58.200	58⅛	58⅜	58⅛	58⅛	59⅛	59⅜
T/T Hong	81.230	81½	81½	81½	81½	81¼	80⅜
T/T Japan	84.130	84	83½	83¼	83¼	82⅜	82
T/T Batavia	144.550	144½	145⅜	145⅜	145⅜	147	148¼
T/T Straits	96.850	97	96¼	96¼	96½	95⅝	94½
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/6.790	2/6¾	2/7	2/7	2/7	2/7⅛	2/7⅛
4 m/s ,, D/P	—	2/7	2/7⅛	2/7⅛	2/7⅛	2/7⅛	2/7⅜
6 m/s ,, B/L Cred D/A	2/7.103	2/7 1/16	2/7 5/16	2/7 1/16	2/7 5/16	2/7 5/16	2/7 3/16
4 m/s B/F Cred D/A	1.609.200	1600	1615	1615	1610	1625	1630
4 m/s N. Y. Lc.	61.700	61¾	62⅛	62⅛	62⅛	62⅜	63⅛
4 m/s ,, Dacs	—	62¼	62⅜	62⅜	62⅜	63⅛	63⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Jan. 6	Jan. 7	Jan. 8	Jan. 10	Jan. 11	Jan. 12
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence						
**New York Price of Bar Silver per oz. (Pure)	24¾	25	24 15/16	25	25 5/16	25 7/16
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	G. $.53⅜ Tls. 398.80	G. $.54⅛ 398.70	G. $ 53⅞ 398.40	G. $.53⅞ 394.40	G. $.54⅜ 390.00	G. $ 55 391.00
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	Tls. 111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per $100.....	Tls. 73.375	73.20	73.4375	73.05	73.325	73.40
Native Bank Rate of Interest (Call money).....	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London Paris on	T/T 122.23
Bank of France rate of discount	6%	New York on London	T/T 485¼
London open Market of Dis. 3 m/s	4 5/16%	Bombay on London	T/T 1/6
,, 4 ,,	4 5/16%	Hongkong on London	T/T 1/11⅛
,, 6 ,,	4 5/16%	Kobe on London	T/T 2/0⅛



What the Ships Carry between America and China

Return of the Shanghai Customs

By Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.27 Goequall d$1

Karmala November 23.

To New York.

Silk, Raw, Re-reeled:		
White, other Ports Bls. 20	Pls.	20.30

Montreal Maru, November 30.

from U. S. A.

Timber:		
Softwood, Merchantable	Sup. ft.	112,432
Softwood, Ordinary Sawn	,,	461,360

Asiatic Prince, December 2.

To Manila.

Candles	Pls.	129

To Philadelphia.

Wool, Sheep's	,,	206

To Boston.

Hemp	,,	619

To New York.

Tea, Black, Congou, Kiukiang	,,	4
other Ports	,,	154
Antimony, Regulus	,,	1,680
Intestines, Pigs', Salted	,,	22
Oil, Wood	,,	724
Seed, Sesamum	,,	840
Wool, Sheep's	,,	401

Sophie Rickmers Dec. 3.

From Manila.

Alcohol	Galls.	19,992

Paul Lacat, December 3.

To New York.

Silk, Raw, Re-reeled from Dupions:		
Shanghai Bls. 40	Pls.	40.07
Silk, Raw, Steam Filature:		
White, other Ports Bls. 195	Pls.	156.00
Wild, other Ports Bls. 70	Pls.	72.21

Atago Maru, December 4.

To New York.

Silk Piece Goods	*Pls.*	0.20
Silk, Raw, Re-reeled:		
White, other Ports Bls. 15	,,	15.10
Silk, Waste:		
Other Ports Bls. 59	,,	201.88
Pongees, Honan	,,	51.88
Tea, Green:		
Gunpowder, Shanghai	,,	149
Gunpowder, Ningpo	,,	590
Young Hyson, other Ports	,,	15
Tea, Black, Congou, Hankow	,,	150
Tea, Black, other Kinds, Kiukiang	,,	140
Tea, Leaf, Unfired, other Ports	,,	1,157
Beans, Green, Small	,,	375
Egg Albumen, Dried	,,	168
,, Yolk, Dried	,,	84
Nutgalls	,,	224
Hides, Buffalo	,,	147
Intestines, Pigs,' Salted	,,	18
Wool, Sheep's	,,	163
Oil, Wood	,,	416
Hats	Pcs.	17,700
Woollen Carpets	,,	68
Shoes, Satin	Pairs.	200

To Boston.

Egg Albumen, Dried	Pls.	45

President Wilson, Dec. 4.

From U. S. A.

Beds, Steel	Pcs.	653
,, Brass	,,	57
Lemons	,,	84,750
Iron Rivets	Pls.	893
Iron Galvanized:		
Angles	,,	242
Sheets	,,	609
Leadfoil & Tinfoil, Mixture	,,	430
Cotton, Raw Bls. 409	,,	1,516
Almonds	,,	7
Canned Milk, Condensed	,,	990
Canned Milk, Evaporated	,,	875
Canned Asparagus	,,	5
,, Fruits	,,	13
Cheese	,,	10
Fruits, Fresh	,,	25
,, Dried	,,	22
Grease, Lubricating, Mineral	,,	145
Hams	,,	2
Infusorial Earth	,,	336
Ink, Printing	,,	241
Leather, Calf	,,	2
,, Sole	,,	393
Oranges, Fresh	,,	50
Paper Chipboard	,,	306
Prunes, Dried	,,	69
Raisins, Dried	,,	2,095
Soda, Silicate of	,,	301
Sugar, White	,,	36
Tobacco, Prepared	,,	3
Paints, Unclassed	Galls.	450
Varnish	,,	244
Chocolate	Lb.	246
Canned Sardines	Doz.	2,332
Shoes, Leather	Pairs	106
Cigarettes	*Mills*	1,190
Treasure:		
Silver Bars Hk. Tls.		955,070

President Taft, December 8.

To Honolulu.

Silk Pongees, Shantung	Pls.	2.56

To San Francisco.

Silk Piece Goods	Pls.	0.68
Tea, Leaf, Unfired, other Ports	,,	179
Tea, Black, Congou, Hankow	,,	52
Tea, Black, other Kinds, Kiukiang	,,	79
Tea, Green: Gunpowder Ningpo	,,	408
Tea, Dust, other Ports	,,	16
Books	,,	8
Egg Yolk, Dried	,,	23
Feathers, Duck	,,	130
Intestines, Pigs' Salted	,,	36
Carpets Hk. Tls.		1,397
Treasure:		
Gold Bars	,,	110,213

To Portland.

Brassware	Pls.	12

To Los Angeles.

Brassware	Pls.	28
Feathers, Duck	,,	24
Intestines, Pigs' Salted	,,	11

To Boston.

Cotton, Raw Bls. 299	Pls.	1,063
Intestines, Pigs' Salted	,,	5
,, Sheep's ,,	,,	17

To Houston.

Hair, Human	Pls.	209

To Baltimore.

Egg Yolk, Dried	Pls.	96

To Charleston.

Hair, Human	Pls.	59

To Philadelphia.

Bristles, Assorted	Pls.	45
Brassware	,,	12
Glycerine, Crude	,,	245
Wool, Sheep's	,,	441

To Buffalo.

Carpets	Hk. Tls.	551

To Cleveland.

Carpets	Hk. Tls.	224

To Chicago.

Silk, Raw, Steam Filature: White, Shanghai Bls. 5	Pls.	4.97
Intestines, Pigs' Salted	,,	48
Strawbraid	,,	24
Carpets Hk. Tls.		3,917

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 45	Pls.	44.89
Yellow, Shanghai Bls. 10	,,	9.99
Silk, Raw, Re-reeled White, other Ports Bls. 10	,,	10.20

To Akron.

Carpets Hk. Tls.		416

To Manzanillo.

Lard	Pls.	114

To New York.

Silk, Raw, Steam Filature: Wild, other Ports Bls. 10	Pls.	10 00
Silk Pongees, Shantung	,,	8.85
Brassware	,,	17
Cotton, Raw Bls 118	,,	391
Egg Albumen, Dried	,,	33
,, Yolk, Dried	,,	119
Feathers, Duck	,,	51
,, Goose	,,	51
Hair, Human	,,	50
Intestines, Pigs' Salted	,,	46
,, Sheep's, ,,	,,	50
Soapstone Ornament	,,	69
Wool, Sheep's	,,	151
Skins, Sheep	Pcs.	3,000
Hair Nets	Gross	9,583
Carpets Hk. Tls.		61,133

Foreign Goods.

Intestines, Pigs', Salted	Pls.	36

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—During the past week prices on the local staple showed a steadily ascending tendency, registering at the close a rise of about half a tael per picul higher than the level ruling during the period last reported, though actual business transacted cannot be considered as having been volumnious. The strength in our market was infused by the firm undertone prevailing in Mid-Americans, the gradual increase in the quantity of the domestic staple dealt with by Japanese exporteres, and by shorts covering in the local Exchange.

As to the future trend of the market there is nothing discernible at the moment to support any bearish views, notwithstanding the comparatively poor demand on the part of consumers in general for the staple. However, taking into consideration the present trend of the foreign fibre which to a more or less extent influences our markets, the indications incline to steadiness bordering on firmness in the immediate future, and the advisability of purchasing whenever any breaks present themselves during the evolution of fluctuations to which all markets are naturally subject.

Yarn:—While our market during the early part of the week intimated a weaker tendency, a somewhat firmer undertone ensued at the close, which is attributable to the firmness evincing in the raw material. Business for export has been booked some 6000 to 7000 Bales in all counts.

Liverpool:—

American-Middling	6.89
American-Middling last reported	6.90

Tone of the market, *Steady.*

New York Market:—

Price of Mid-Amer.	13.00 Spot.
	12.85 Jan.
	13.05 Mar.
	13.22 May.
	13.41 July.
	13.56 Oct.

Tone of the market:—*Steady.*

Indian Market:—

Fully Good Bengal, D./J.	214
Fine Oomra, Dec/Jan.	241
Fully Good Broach, A./M.	251

Tone of the market—*Steady.*

Shanghai Market:—

	Tls.
Tungchow, spot ex wharf	29.00
Shanghai, Spot	28.50
M. Ginned Spot	28.75
Shensi, No. 1 Spot	29.25
Ningpo, Spot, Ex wharf.	28.40

Tone of the market—*Steady.*

In the United States Court for China

In re the Matter of the Estate of SARAH A. FISHER, Deceased.

Cause No. 2886
Estate No. 643
NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of SARAH A. FISHER, deceased, to present the same with vouchers to the undersigned, on or before July 11, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

JAMES B. DAVIES
c/o Davies & Bryan,
4 Hongkong Road
Shanghai.

January 10, 1927.

The Report on

EXTRATERRITORIALITY

Copies of the Report of the International Commission which investigated the Practice of Extraterritoriality in China may be obtained by addressing The China Weekly Review, enclosing the sum of $1,00 to cover cost and postage.

The Report contains four sections as follows:

Part I.—Present Practice of Extraterritoriality in China.

Part II.—Laws and Judicial System of China.

Part III.—Administration of Justice in China.

Part IV.—Recommendations.

In addition there is an appendix containing the Declaration of the President of China to reform the laws and administration of justice; a summary of clauses from the treaties containing the Extraterritorial provisions; a list of modern Chinese courts and prisons and a report of the Committee which toured North and Central China investigating conditions.

THE CHINA WEEKLY REVIEW

4, Avenue Edward VII
Shanghai.

(*Continued from page 195*)

dinosaurs laid their eggs; the traces of the Stone Age man at Shabarakh Usu. He tells of hunting trips in the Altai mountains for the Mongolian big-horned sheep and into the wilderness of Shensi jungle and mountain top in pursuit of the almost legendary "golden fleece"; the unearthing of the collosal bones of the Baluchitherium and the nests of dinosaur eggs; and the verification of prohpecies made as long ago as 1900 by Professor Henry Fairfield Osborn in his assertion that Asia would prove to be the mother of the continents and the home of the oldest forms of mammalian life.

Mr Andrews' book does not pretend to be much more than a bit of propaganda for the continuance of his researches and hunting expeditions in Mongolia. It contains prophecies, promises, and preliminaries rather than sound scientific deductions. It is for instance scarcely of any interest to the scientific reader to learn that Mr Andrews found the Dodge car suitable for use on the Gobi desert or that 245 contributions were received to defray the expense of his expeditions. Mr Osborn, who does not hesitate to show that some of the prehistoric bones were named in his honor, calls Mr Andrews "the invincible leader." The frontispiece of the book is a portrait of Mr Andrews as he appeared dressed in a high white collar and bow tie, as if it were taken just as he was going out to a banquet.

To our lay mind, "On the Trail of Ancient Man", as a record of a scientific expedition. seems filled with material ill-digested and inchoate. It reads like a book intended for circulation among the members of the American Museum of Natural History rather than one for which one should pay a price. Nor do we feel that Mr Andrews adds to his laurels as "the invincible leader" with his descriptions of his shooting down of wild asses and antelops on the Gobi desert.

T. S.

(*Continued from page 194*)

which published instructiens forbidding parades and urging foreigners to preserve order-Eugene Chen tries to dissuade about thirty American women and children from leaving Hankow, declaring ability and intentions Chinese preserve order—Chinese reports state that Chiang Kai-shek, Tan Yen-kai and Chang Chin-kiang are leaving Nanchang for Hankow immediately—Chinese *Kuo Wen* reports from Hankow claim that order complete restored in British Concession but that Chinese intend to maintain police control pending settlement of incidents which precipitated Chinese occupation—French authorities in Hankow remove sand bags and barricades—Large shipment of German arms arrives at Tsingtao but after unloading Chinese find another consignment which was destined for the Chinese Southern forces which they also seize—Saburi, representing Japanese Foreign Office arrives in Canton for inspection conditions.

(*Continued from page 192*)

(b) Request the British Government to pay indemnity for those killed and wounded on January 3rd.

(c) Punish those British uniformed men who used force, and hand them over to the Chinese authorities.

(d) Abolish all Volunteer Corps on land and send the gunboats in port away from Hankow. Remove the sandbags and wire barricades.

(e) Apologize to the Chinese Government.

(f) Chinese within the British Concession must be permitted to hold mass meetings, make speeches and hold processions.

(g) The British Volunteers and armed police must no longer carry arms. They shall not be allowed to wear uniforms in future.

(h) The Chinese Government must send civil and armed police to the British Concession to maintain peace and order. Two brigades of Garrison troops to be sent to maintain order in the British Concession. Garrison troops headquarters to be established in the British Concession. A Peace Maintenance Headquarters to be established there.

Article Two

(2) A big demonstration parade is to be held at Chi Shen San Ma Loo, native city, at two o'clock on the afternoon of January 5th.

Article Three

(3) An economic boycotting committee should be organized.

Article Four

(4) A Boycotting British Committee of the Wuhan Cities should be organized.

Article Five

(5) Telegraph to the world declaring the outlawry of British.

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Biographies of Chinese

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Chang Hsueh-liang
Chao Heng-ti
S. U. Zau
Chun Shut-kai
Ch'en Chin-tao
Chen Chiung-ming
Chan Lim-pak
Tcheng-loh
Eugene Chen
Chi Hsieh-yuan
Chiang Monlin
Kungpah King
Chu Pao-san
Chu Shao-hsin
Y. Y. Tsu
Chang Chung-chang
Feng Yu-hsiang
Fu Siao-en
G. Zay Wood
Sir Robert Hotung
Y. S. Ziar
Hsiung Hsi-ling
George Hsu
Sao-ke Alfred Sze
C. T. Wang
Jabin Hsu
Singloh Hsu
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Wu Pei-fu
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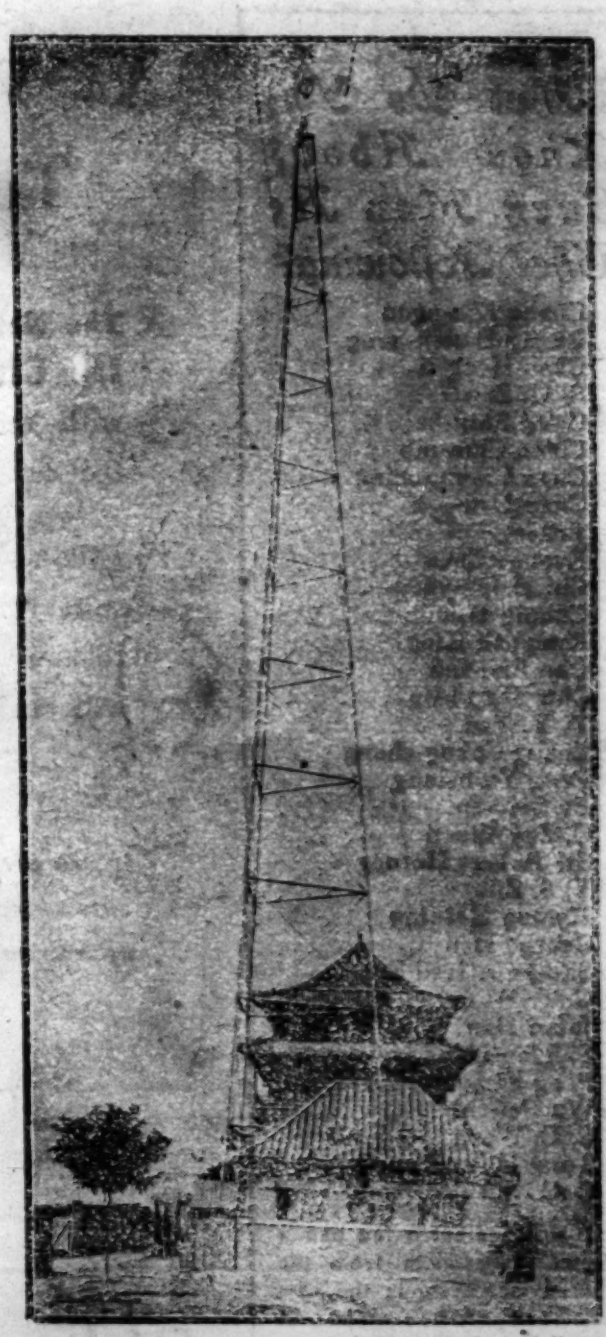

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